



CONTINENTAL SELLING PRICES: AUSTRIA Sch.1.2; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.8; GERMANY DM2.0; ITALY L.500; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; BRE 12p

NEWS SUMMARY

GENERAL

Nkomo attacks J.K. on Smith

Joshua Nkomo, joint leader of the Rhodesian nationalist Front, has blamed the British for the "total failure" of the current Anglo-American initiative.

A special conference in London will discuss the Rhodesian situation. Nkomo said that the root cause of the Rhodesian problem was the failure to remove Mr. Ian Smith, the Rhodesian Prime Minister, from power. But he stated that the refusal of Mr. Smith to attend ceasefire talks in London was the immediate cause. The British proposals have been rejected. The British will not withdraw Mr. Smith, but will continue to do so, he said.

BUSINESS

Cautious start to new account

● EQUITIES made a cautious start to the new account, and the 4.7 fall in the FT index to 186 could be attributed partly to nine stocks going ex-dividend.

● GILTS were restricted and small gains in long dates raised the Government Securities index 0.15 to 72.80.

● STERLING rose unchanged from Friday at \$1.8160, its trade-weighted index at 63.7 (63.8). The dollar's average appreciation widened to 2.02 per cent. (1.95). Pressure for the immediate devaluation of the Belgian Franc against the Dutch in the EEC currency snake eased as the franc closed stronger.

● GOLD fell \$2 to \$165, and the Gold Mines index fell 7.1 to 140.2.

Imports may rise after record trade surplus

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Britain now has a large and apparently continuing current account surplus. But the high level may not be maintained for more than a few months because of the prospect of higher imports offsetting the build-up of North Sea oil production.

There was a current account surplus last month of £206m, seasonally adjusted. It was the third monthly surplus in a row but £49m less than in September, largely because of changes in erratic items such as ships and aircraft.

The news made little difference to sterling, which closed unchanged at \$1.8160, while the trade-weighted index slipped 0.1 to 63.7.

The current account surplus in the last three months was £758m, easily the best quarterly figure on record, compared with a deficit of £316m in the previous three months.

	Current account	Visible trade	Invisibles	Current account
	£m.	£m.	£m.	£m.
1976 1st	-536	-448	90	
2nd	-907	-517	-390	
3rd	-1,144	-633	-511	
4th	-982	-568	-414	
1977 1st	-962	-501	-461	
2nd	-733	-492	-241	
3rd	-29	-525	+496	
May	-277	-144	-133	
June	-210	-164	-146	
July	-231	-175	-56	
Aug.	+122	+175	+297	
Sept.	+80	+175	+255	
Oct.	+31	-175	+206	

Source: Department of Trade

This overstates the underlying trend, with about two-thirds of the quarterly improvement coming from erratic items, notably from the absence of North Sea oil rigs. But the extent of the recent turnaround is shown by the fact that the last three months' surplus has been sufficient exactly to offset the deficit in the first seven months of 1977.

So if the recent trend is maintained in the next two months, the surplus for 1977 as a whole will be higher than the average for 1976.

But the latest figures are slightly worrying as the volume of sales of finished manufactured goods (excluding ships, aircraft and precious stones) was 1.6 per cent. down on a three-month comparison.

The slowdown in growth of world trade was probably an influence, as was the dock strike in October in the U.S., which has had a very buoyant market for the U.K. this year.

Exports of non-manufactured goods have been strong, and the overall export trend is still above forecast.

Longer-term questions of export competitiveness are raised by the further rise in the terms of trade index, the ratio of export to import prices.

This has increased by 31 per cent. on a quarterly basis, partly because of the strength of sterling and the fall in world commodity prices.

Export prices have risen by 17 per cent. in the past year, while there is considerable controversy about the best measure of competitiveness. It is clear that the recent price trend has eroded price competitiveness, while leaving relative profitability broadly maintained so far.

Comparisons on the basis of unit labour costs, as favoured by the International Monetary Fund, show a smaller erosion, with the U.K. retaining about two-thirds of the advantage won last year.

But this could disappear if there is a pay explosion, and a lot will depend on how far sterling rises in the present free floating of the pound.

While earlier in the year the rise mainly consisted of consumer goods, notably cars, there has recently been an ominous build-up of purchases of capital goods.

This has occurred at a time when overall output and investment have been depressed. The trend explains the view of many economists that while the current-account surplus should continue for some time, its size will be limited by a rapid growth in imports if output grows at the expected rate of 3 per cent. a year.

The export position has been generally better than expected this year, with volume in the last three months more than 11 per cent. higher than the average for 1976.

But the latest figures are slightly worrying as the volume of sales of finished manufactured goods (excluding ships, aircraft and precious stones) was 1.6 per cent. down on a three-month comparison.

The slowdown in growth of world trade was probably an influence, as was the dock strike in October in the U.S., which has had a very buoyant market for the U.K. this year.

Exports of non-manufactured goods have been strong, and the overall export trend is still above forecast.

Longer-term questions of export competitiveness are raised by the further rise in the terms of trade index, the ratio of export to import prices.

This has increased by 31 per cent. on a quarterly basis, partly because of the strength of sterling and the fall in world commodity prices.

Export prices have risen by 17 per cent. in the past year, while there is considerable controversy about the best measure of competitiveness. It is clear that the recent price trend has eroded price competitiveness, while leaving relative profitability broadly maintained so far.

Comparisons on the basis of unit labour costs, as favoured by the International Monetary Fund, show a smaller erosion, with the U.K. retaining about two-thirds of the advantage won last year.

But this could disappear if there is a pay explosion, and a lot will depend on how far sterling rises in the present free floating of the pound.

While earlier in the year the rise mainly consisted of consumer goods, notably cars, there has recently been an ominous build-up of purchases of capital goods.

This has occurred at a time when overall output and investment have been depressed. The trend explains the view of many economists that while the current-account surplus should continue for some time, its size will be limited by a rapid growth in imports if output grows at the expected rate of 3 per cent. a year.

The export position has been generally better than expected this year, with volume in the last three months more than 11 per cent. higher than the average for 1976.

But the latest figures are slightly worrying as the volume of sales of finished manufactured goods (excluding ships, aircraft and precious stones) was 1.6 per cent. down on a three-month comparison.

The slowdown in growth of world trade was probably an influence, as was the dock strike in October in the U.S., which has had a very buoyant market for the U.K. this year.

Exports of non-manufactured goods have been strong, and the overall export trend is still above forecast.

Longer-term questions of export competitiveness are raised by the further rise in the terms of trade index, the ratio of export to import prices.

This has increased by 31 per cent. on a quarterly basis, partly because of the strength of sterling and the fall in world commodity prices.

Export prices have risen by 17 per cent. in the past year, while there is considerable controversy about the best measure of competitiveness. It is clear that the recent price trend has eroded price competitiveness, while leaving relative profitability broadly maintained so far.

Comparisons on the basis of unit labour costs, as favoured by the International Monetary Fund, show a smaller erosion, with the U.K. retaining about two-thirds of the advantage won last year.

But this could disappear if there is a pay explosion, and a lot will depend on how far sterling rises in the present free floating of the pound.

£74m. rights issue by CU

BY JOHN MOORE

AN IMMEDIATE adverse impact on the share prices of all other main quoted composite insurance companies. Royal Insurance, Sun Alliance, Phoenix, Guardian Royal Exchange, General Accident and Eagle Star all gave up between 7 and 25p during yesterday's trading. The Financial Times Actuaries Composite Insurance index fell nearly 5 per cent.

In after hours dealing CU's shares stood at 385p (down 17p), a small 6 per cent. premium on the rights offer. So nearly £60m. was wiped off the group's stock market value in a day's trading.

The collapse of CU's share price has much to do with the market recalling the group's recent history. In 1974 the company called for \$62.5m. cash through a rights issue.

At the time it was one of the biggest capital raising issues that the City had to absorb. Then, as now, four of the City's leading merchant bankers—Kienwort Benson, Baring Brothers, Lazard Brothers, and J. Henry Schroder Wagg—underwrote the issue.

In early 1976 Commercial Union disclosed underwriting losses of £94m.

This year, differences of policy were disclosed between Mr. Gordon Dunlop, the chief general manager, and the Board. Mr. Dunlop resigned in the summer and Mr. Jack Emms was appointed his successor.

The move follows another capital raising manoeuvre earlier this year when CU purchased Estates House Investment Trust (the company formed out of the merger of 19 quoted and four unquoted companies formerly associated with the late Sir Denis Lawson). That had effectively constituted a one-for-eight rights issue and raised some £46m.

Continued on Back Page

THREE-HOUR DEBATE IN PARLIAMENT TO-DAY Firemen claim widespread support for strike

BY PAULINE CLARK and CHRISTOPHER DUNN

Britain's first firemen's strike got underway yesterday amid reports of widespread support. A three-hour debate on the strike will take place in Parliament to-day after yesterday's continuing talks between union leaders and employers produced little hope of an early solution.

Firemen throughout the country responded overwhelmingly to the union's strike call by last night, the Home Office reported that only isolated groups of full-time firemen were working.

Shortly before midnight patients were evacuated from St. Andrew's Hospital, Bow, London, because of a fire there. Scotland Yard said they had been requested to provide "urgent assistance." Six appliances were in attendance—five manned by the Army and one by fire station officers.

Earlier, troops called in by the Government to maintain a skeleton service, had their first taste of civilian fire fighting at a scrap yard blaze at Brownhills, Staffs., and at a fire in a haulage depot in Merseyside.

Fire boys calls were said to have doubled in some areas, but the London emergency services received only 20 calls yesterday morning compared with a daily average of 300.

The call for an emergency Parliamentary debate came from Mr. Jim Sillars, Scottish Labour MP for Ayrshire South and an ex-fireman, who emphasised the great threat to public safety and to the future of the fire service. The call was supported by Conservative MPs as well as the majority of the Government Front Bench.

The motion calls for "meaningful negotiations between the Government, local authorities and the Fire Brigades Union to reach a new pay arrangement that is both flexible and fair." Last night the Tribune Group of Labour MPs agreed the firemen deserved more than 10 per cent.

Talks between union leaders and employers are expected to continue to-day ahead of a formal joint negotiating meeting on Wednesday. But little hope was seen for a settlement that would come anywhere near the firemen's claim for an immediate 30 per cent. increase.

Talks at joint secretary level headed by Mr. Terry Parry, the union's general secretary, and Mr. Brian Rusbridge, secretary for the local authority employers' side, were said to have concentrated on working out the details of a wage structure which would be applied in the long term.

While it is hoped that any firm proposals might persuade the firemen to take another look at their position, union leaders insisted yesterday that whatever might emerge later this week "would have to be very helpful indeed" to warrant a recall of conference.

Cities bear brunt. Page 7

Scotland Bill win by 44

By Richard Evans, Lobby Editor

THE GOVERNMENT overcame its first major constitutional hurdle of the new session last night by securing the Second Reading of the Scotland Bill by 307 votes to 265, a majority of 44.

But despite the apparently impressive triumph over the Conservatives and anti-devolutionist Labour MPs, Ministers still cannot be too confident of victory in to-morrow's crucial vote on the guillotine motion which will end the debate on both Scotland and Wales.

Devolutionists, were quick to point out that the Scotland and Wales Bill Second Reading last session was won by a majority of 45, and yet, against Ministers' expectations, the guillotine was lost by a crushing defeat of 29 votes.

Following further pressure from the Government Whips yesterday, the assistance of some Labour anti-devolutionists appeared to be cracking, and the signs are that the guillotine will be secured.

The size of the victory was caused by the unwillingness of many Labour MPs to oppose one of the key planks of the Government's election manifesto, but this factor will not play such an important part in considerations on the guillotine.

At least three Tory MPs, including Mr. Peter Walker (Westminster), Mr. David Mudd (Falmouth and Cambourne) and Mr. David Knox (Leek), rebelled against the official Tory line of opposing the Scotland Bill.

In an earlier division a Tory amendment proposing a constitutional conference to recommend reforms on devolution by next July was defeated by 313 votes to 265, a majority of 48.

Ministers consider it vital to get the Bill through the House of Commons as the Wales Bill is still to be introduced to the Statute Book this session to secure Labour's electoral position.

Parliament Page 12

Callaghan says reforms will not weaken EEC

BY RICHARD EVANS, LOBBY EDITOR

NONE OF the fundamental reforms of Common Market institutions advocated by the British Government would weaken the Community, Mr. James Callaghan declared at the Lord Mayor's Banquet in London last night.

But the Prime Minister, developing with a more aggressive tone than previously the list of proposals for change he outlined on the eve of the Labour Party conference, admitted that they reflected Britain's national interest.

He also referred to the increase in overseas confidence in Britain in the past year, and the necessity of continuing policies that would defeat inflation.

He argued that the coming year must ensure further progress "to prevent ourselves slipping back into the old habits."

There was still a big task ahead in reducing inflation, although some important battles had been won and the country was well placed to win more.

He said: "I remain a firm believer that a further reduction in the rate of price increases, coupled with the tax reductions that are now taking place and a moderate increase in earnings in 1978, will together do more to raise the real standard of life of our people than any other road, however great the temptation to follow it."

He believed Britain could also expect, thanks to recent efforts, that the increase in prices would continue to slow down for some months to come, although he admitted that unemployment would remain an intractable problem.

On relations with the European Community, Mr. Callaghan stressed that Britain was committed to working for a successful and cohesive Common Market, but it was a disservice to pretend that things were what they obviously were not.

In the common as well as in the national interest Britain wanted to seek a reform of the Common Market Agricultural Policy, and the so-called "super committee" of the Government would not try to change the concept of a common system but wanted reform of those features which produced uneconomic and unwanted surpluses at great cost.

The Prime Minister welcomed the applications by Greece, Portugal and Spain to join the Community partly because this would have the effect of buttressing democracy.

Slipping

In particular, a common energy policy would have to take account of Britain's position as a major producer of oil as well as the interests of all consumers, he said. And a common fisheries policy would have to take account of the fact that 90 per cent. of all the Community's fisheries resources were within Britain's 200-mile limit.

In Mr. Callaghan's view Europe would make most progress if the rights of national governments and parliaments were upheld, but he emphasised that Britain's interests would be pursued collectively with her EEC partners.

Europe would not move forward together if any individual member-country felt that its own economic, industrial and social objectives were being over-ruled.

Although Mr. Callaghan made the Common Market the major theme of his Guildhall speech, he also referred to the increase in overseas confidence in Britain in the past year, and the necessity of continuing policies that would defeat inflation.

He argued that the coming year must ensure further progress "to prevent ourselves slipping back into the old habits."

There was still a big task ahead in reducing inflation, although some important battles had been won and the country was well placed to win more.

He said: "I remain a firm believer that a further reduction in the rate of price increases, coupled with the tax reductions that are now taking place and a moderate increase in earnings in 1978, will together do more to raise the real standard of life of our people than any other road, however great the temptation to follow it."

He believed Britain could also expect, thanks to recent efforts, that the increase in prices would continue to slow down for some months to come, although he admitted that unemployment would remain an intractable problem.

On relations with the European Community, Mr. Callaghan stressed that Britain was committed to working for a successful and cohesive Common Market, but it was a disservice to pretend that things were what they obviously were not.

In the common as well as in the national interest Britain wanted to seek a reform of the Common Market Agricultural Policy, and the so-called "super committee" of the Government would not try to change the concept of a common system but wanted reform of those features which produced uneconomic and unwanted surpluses at great cost.

The Prime Minister welcomed the applications by Greece, Portugal and Spain to join the Community partly because this would have the effect of buttressing democracy.

ko inquest

with African police sergeant told the inquest into the death of Steve Biko, how he had the black leader lying on a cell floor frothing his mouth, breathing rapidly glassy eyes. It was the day Biko died of head injuries. Page 5

x payout

people should receive their rebate resulting from the recall's mini-budget. Before 1977, even though members of the Inland Revenue Staff had been taking industrial action in protest against the workload. The decision, taken at a meeting of the staff's leaders last night, was to accept the offer. Page 5

'aeli move

Prime Minister, Mr. Callaghan, will try to use U.S. diplomatic channels to persuade President Anwar Sadat of Egypt to Israel. Sadat has insisted on living formal diplomatic relations. Middle-East talks. Page 5

clone deaths

350 people died in the Indian state of Tamil Nadu in the week ending September 10, at least 42 people of them foreign tourists, when a fire flared by a moon swept through a Manila. Page 5

stage freed

in four countries are burnt for three kidnappers of the Irish businessman, Henry Michael Palmer (74), in Vienna after four days in custody for the payment of a ransom. Page 5

ug trial

detectives are among seven to be sent for trial at the Old Bailey accused of attempting to smuggle cannabis worth £50,000 to Britain between December 7, and March 10, this year. Page 5

op to close

romble and Fitch, the New York stock exchange, are sleeping bags to Theodore Levitt and flying gear to the Lindbergh, is to close 35 years' trading in sports and equipment. Page 5

lefly

Flyde coast authorities appealed for Government after gales and flood damage estimated at about £1m. Page 5

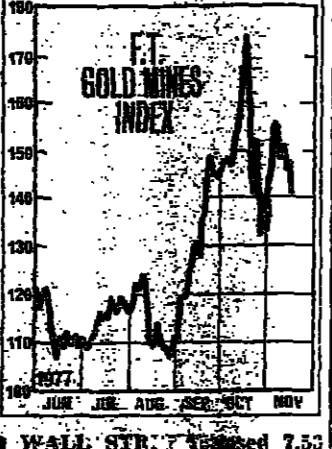
former head of the News World, Sir William Carr, died, aged 85. Page 5

man who threw an egg at Queen's Rolls-Royce on Saturday. Page 5

sh Airport Authority is to merge with plans for a four-stage terminal at Heathrow. Page 5

most valuable handicap race in the history of the hunt racing will be run two miles at Haydock Park on Saturday. Page 5

ay 1. Doullton and Company contributing £15,000 towards £25,000 prize money. Page 2



WALL STR. ended 7.53 on 1,858.25. The FT index rose 4.7 to 186. The FT 100 index rose 0.8 to 1,858.25. The FT 250 index rose 0.8 to 1,858.25. The FT 500 index rose 0.8 to 1,858.25.

BRITISH LEYLAND Boardroom changes planned by the new chairman Mr. Michael Edwardes will result in three non-executive directors and four managing directors leaving the main Board. Back Page

INDUSTRIAL production has remained static over the past quarter and retail sales last month were down on September, believe Government forecasts of economic turnaround. Back Page

PLUMBERS have agreed a pay deal involving a 40 per cent. wage rise, six months' notice, and a 40 per cent. wage rise. Page 8

DEMAND for new private houses is outstripping supply, according to the Housebuilders' Federation and the National Council of Building Materials Producers. Page 7

A CASE against Tate and Lyle brought by the Iranian government is likely to be dropped, following the acquittal of two former Ministers involved in the case. Page 5

IBM has won a \$6m. order for computers from Tesco. Page 7

PEARSON LONGMAN and GLAXO are making purchases in the U.S. totalling \$30m. Pearson is buying an American textbook publisher, Wadsworth Publishing, and Glaxo is taking over Meyer Laboratories of Florida. Page 5

TOTAL OIL MARINE, a U.K. subsidiary of Cie Francaise des Petroles is to make a £25m. Eurobond issue, the first by a British company. Page 36 and Lex

Commodity	Change
Yard White	61 + 3
Berry Wiggins	45 + 3
Royal Dutch	£451 + 14
Oakbridge	143 + 9

Commodity	Change
ett (Geo.)	149 + 11
y Leslie	80 + 5
nnia Arrow	22 + 24
nnia (M.)	232 + 9
n Bros	49 + 10
n Mail A	380 + 8
n (Godfrey)	36 + 4
n (D.)	68 + 4
n (D.)	33 + 7
field Lawrence	272 + 6
n Prop.	365 + 40
nk (Thos.)	83 + 6
y (H.)	160 + 10
er (Jax.)	102 + 7

Commodity	Change
Commercial Union	288 - 17
Dunbee-Comber-Marx	168 - 5
Eucalyptus	72 - 6
GEC	238 - 6
Grimshawe	290 - 6
Lloyds Bank	139 - 6
Mowlem (J.)	139 - 6
OK Bazaars	£25xd
Royal Insurance	393xd
Staflex Intl.	12 - 7
Sun Alliance	£68xd
Sun Alliance	45 - 1
Roan Cons.	£119
Vegal Beef	£181
Western Drie.	£181

Commodity	Change
Appointments	2
Appointments Adv.	24
Arts	2
Business Opns.	32
Company News	22, 23, 24
Crossword	2
Entertainment Guide	2
Family and Law	2
Materials	2
Foreign Exchange	2
Share Information	2
Home News	2
Int. Company News	2
Legal Notices	2
Leading Articles	2
Letters	2



12 ways to count on Olympia.

In a world where other makes of office calculators are vanishing off the market, Olympia continues to be a name you can really count on.

In fact we've recently increased our range to give you a choice of twelve superb machines—the No. 1 range in Europe.

They include simple display calculators. Electronic add-listers. A specialised scientific calculator. And others up to the most powerful, versatile 14-digit print-display model, with a truly purposeful array of sophisticated functions.

Each machine is tested to the equivalent of 40 hours' continuous use. Printout models have our famous near-silent cycloptic printer, newly improved for even greater reliability. They're all developed and built in Europe's most modern calculator factory.

And they're all designed to give you business the benefit of the most advanced calculator technology.

Ask your Olympia dealer to discuss the most suitable models for you. Or send the coupon to us. Either way, you can count on Olympia to do the best for your business.

Olympia

Better Business Machines

Olympia Business Machines Co. Ltd., 203/205 Old Marylebone Rd., London NW1 5QS. Telephone: 01-262 6788

POST NOW—NO STAMP NEEDED
Olympia Business Machines Co. Ltd., FREEPOST, London NW1 1YB
Please send full details of Olympia office calculators.

Name _____
Company _____
Address _____

LOMBARD

Dr. Burns and the monetarists

BY ANTHONY HARRIS

AN OLD FRIEND accused me the other day of having "sold out to the monetarists" because this column concerns itself from time to time with the problems of monetary control. This is an example of a widespread misunderstanding. Thus the Bank of England, which so far as I am aware contains not a single full-blooded monetarist, and is heavily influenced by sceptics, is thought to exercise a baleful monetarist influence on the Chancellor; and in the U.S. the Fed is now widely accused of sacrificing the U.S. recovery to monetarism. All these accusations are misguided.

Destablising

Such people tremble with inflationary anticipation at any unexpected rise in the money supply, and become unduly euphoric when it is seen to be controlled. When they happen to be investors, this behaviour is not only simple-minded, but acutely destabilising.

Its limits

This dilemma potentially leaves Dr. Burns largely friendless; but now that he has refused to draw into a word of criticism, but the Morgan Guaranty Trust has produced a technical analysis which should be helpful in blurring the issues. They point out first that monetarism has its limits, and that monetary growth must be expected to resume its historic trend sooner or later; and they show that much of the recent growth is due to a quirk in the U.S. definitions. It consists of a rise in the working balances of financial companies dealing in foreign exchange—not the cause but the effect of the dollar outflow.

It is therefore possible that the floating of sterling, which has checked one large outflow, explains the recent fall in the U.S. money supply, and that the problem will go away. Falling this, Morgan should help Dr. Burns to blind his critics with money. Sometimes it is the only way.

WINE

Twenty-six of Chateau Lafite

IT WOULD BE invidious, and indeed today incorrect, to describe Lafite as the leading classed-growth of the Medoc. In-correct because when the first growths were re-classed in 1975 and Mouton-Rothschild added, the listing was alphabetical, whereas the celebrated 1955 classification followed an order of preference determined by price on the Bordeaux market over a long period. For the first time this order was Lafite, Margaux, Latour and Haut-Brion.

BY ANTONY THORNCROFT

Broxbourne books begin well

THE FIRST PART of the Broxbourne Library, the collection of books brought together by the late John Ehrman to illustrate the spread of printing, was auctioned at Sotheby's yesterday for £288,970. The whole library is being disposed of and the sale is expected to be completed next year. It continues to-day.

BY EDMUND PENNING ROWSELL

strained and backward, but of some distinction as '70, with great future. All the following were drunk at meals, had been decanted well in advance and replaced in the original bottles. 1969. Magnam. Lovely bouquet, beautifully fruity wine at its best, complete and well-balanced. Probably the best '69, easy to drink, almost sweet.

RACING

Doulton enters sponsorship with top prize Haydock hurdle

THE MOST VALUABLE handicap hurdle race in the history of the National Hunt racing is to be staged at Haydock Park's next meeting on Bank Holiday Monday, May 1.

TV Radio schedule table with columns for time, channel, and program name.

F.T. CROSSWORD PUZZLE No. 3519

Crossword puzzle grid with numbers 1-28 indicating starting positions for clues.

- ACROSS
1 Nobleman treating terrible danger to the Orient (7)
5 Section of FBI agents included in set (7)
9 Reposed in luxurious fabric (5)
12 Native could be a bore accepting one drink (9)
13 Go with airman and friends (9)
14 Made one's mark in election (5)
15 That impression requiring strength of spirit (5)
16 In foreign currency I have an inducement (9)
18 Love plot involving niece in submission (9)
19 Comfort learner with artistic support (5)
21 Understood cat returned to it (5)
23 Flower given in motor race (5)
25 In favour of suggestion for advancement (8)
26 Senseless and insane when Pole is included (5)
27 Didn't he work for the blacksmith (7)
28 Cockney strict 'e' as to look after (4, 3)

Regional radio and TV listings for various UK regions including London, Midlands, South, and Wales.

APPPOINTMENTS

Staveley Board post

Mr. E. H. Kent is to join the Board of STAVELEY INDUSTRIES as an executive director and will take up his appointment early next year. He comes to Staveley from the Alfa-Laval group, where he has been managing director of Alfa-Laval for the past nine years.

Advertisement for Dechuman digitology, featuring a calculator image and text about the company's services.

WE'VE BEEN LINGERING OVER THIS PORT SINCE 1967.



Barclays Bank Limited - Securities Services Department - 54 Lombard Street - LONDON EC3P 3AH

Hamden Jazz Week

by KEVIN HENRIQUES

Its of the severe tightness—supra-oxes and bass clarinet—pursue strings which, has seemed too often to be dislocal councils in recent past into producing meaninghe London borough of less screeching noises from them, has miraculously man-Mangelsdorff, no less a virtuoso maintain its enlightened with astonishing lip control and cement of jazz by fluency with the slide and who ng, usually at the Shaw makes a speciality of playing twice-yearly series of chords on his instrument, seemed For the latest venture, equally intent on manufactur d last week in conjunc- ing as many gurgling sounds as he Jazz Centre Society, he would master. With crashing, ough contributed £2,000 multi-layered drumming from be Greater London Arts Martin it was left to bassist Jon, guaranteed £1,000. Phillips to provide some acoustic the first time in three- sanily with a couple of unaccom- Round House was the- panied passages of joyful relief.

In some ways a more- Altogether though, this quar- able and compatible venue- let specialises in "discreetious than the Shaw, its music devoid of genuine emotion and feeling which is a negation le austerity was in tune- of what jazz is all about. It's be stark contemporary of technically dazzling but lacks which formed the bulk- heart or soul.

ve-day programme. Trumpeter Angelhornist was certainly the most- Freddie Hubbard, who appeared applicable to the closing- on Friday, has technique and on Saturday by the inter- soul in large quantities and gave quartet uncontentiously- a generous, dazzling display of Mump consisting of Stu- (drums) and Bars- The jazz he plays is up (bass) from America. He has not rejected the roots of jazz Mangelsdorff (trombone)- on whether deeply expressive rmany and John Surman- on trumpet, he plays with total from Britain. In addition- conviction and joy.

r usual instruments all- Though his pianist likes to dabble with various keyboard in- Mangelsdorff utilises- struments Hubbard does not let ears and other electronic- electronic devices his own pure musical path. His is funky emphasis is on collective- (that is, down-to-earth), heavily rhythmic jazz and on Friday he with each musician con- equally to the whole.

th there were moments- showed there are few better Mangelsdorff and Surman- trumpeters capable of playing together with coherence- this music. A pity though that in an untypical blues- his supporting rhythm men did not have sufficient experience or flair to make the quartet as totally thrilling as it should have been.



A detail from Childe Hassam's "Grand Prix Day"

New York Art

An Exciting Season

by DENYS SUTTON, Editor of Apollo

In recent years the art season in New York during the autumn months has become extremely exciting. It is not only that the auction houses hold important sales but also the museums and dealers stage major exhibitions. Increasingly the old saying that London is the art centre of the world requires qualification: New York is a close runner up.

The Metropolitan Museum is now the chief centre of exhibitions, and as it is a general museum, ranging in time from the ancient world to the modern world, the fare is in keeping. It is, in fact, most enjoyable to be able to "do" one show and then wander through the galleries, taking in the art of different civilisations.

The other evening I was present when the newly founded John Mitchell prize for the best art book in the English language (\$10,000) was awarded to Prof. Francis Haskell of Oxford and after the ceremony I took the opportunity of looking at the Treasures of Early Irish Art. This runs from 500 BC to AD 500 and contains many of the finest treasures of Celtic art, including the Book of Kells, the Early shrine, the Tara Brooch, the Ardagh chalice and much else besides.

These constitute an exhibition of immense quality and, as the pieces are well displayed, the craftsmanship of the early Christian period can be appreciated. In a celebrated piece such as the Ardagh Chalice it is possible to see the way in which the Saxon style made a contribution to the indigenous one. The refined ornamentation found with ecclesiastical objects is

paralleled by the rich decorations of the illuminated manuscripts in which the intricacy of design has an almost Islamic character.

The Metropolitan also has on view a small exhibition of Seurat oil sketches and drawings from New York collections, which is a revelation. Seurat's paintings require little introduction but his drawings are less familiar and show the master in a different light. Whereas many of the effects in Seurat's oils—especially the big compositions such as *Le Cirque*—are decorative, no touch of this appears in the drawings.

Seurat had an exquisite sense of atmosphere. With a few magical touches he could conjure up the impression of figures or objects under a mysterious character. Seurat inhabits a dream world in his drawings. They do much to make us realise the extent to which he belonged to that intimate trend in the French nineteenth century, which includes Millet, Ribot, Regon and Carrière. These were masters of mysterious half lights, and their interrelationship has not yet been fully assessed.

Seurat has been known to the American public for many years. He was represented in the first Impressionist exhibition to be held in New York (1887) by Lu Grande Jatte and a number of studies for the *Baignade*. This show was organised by J. F. Sutton in collaboration with Durand-Ruel and included many masterpieces that are now in American museums.

One of Seurat's sketches is in the exhibition, "New York—Paris. A Continuing Romance," which is being held to celebrate the centenary of Wildenstein's. I must declare an interest as its organiser. The aim is to show the close relationship that has existed between France and New York since the time of the American and French Revolutions. One American artist, John Vanderlyn, studied under Vincent and became an accomplished neo-classical painter. His example of studying in Paris was followed by many of his compatriots who got to know New York and whose cabinet-making was as sophisticated as well, and the official studios were thronged with young Americans. At the same time, collectors such as Stewart, an Irishman who owned the biggest department magnificence *Toilet of Venus* store in the world, began to acquire works by the leading sense of the Parisian spirit. It is a story that has been carried down to the present day with the enterprise of Mr. and Mrs. Charles Wrightsman in securing the French and rooms for the Metropolitan American artists, Childe Hassam, and acquiring David's sam, for instance, was so important of Lavoisier and his merised in the Parisian atmo-wife.

Festival Singers of Canada

by DAVID MURRAY

The Festival Singers are a neutral impression. permanent professional choir, 36 voices strong, founded and directed by Elmer Iseler. Their concert on Sunday evening in the Musicana series made an indelible impression; few choirs anywhere match their standards. The sound they make is full but transparent, superbly balanced, wonderfully clean-edged; their phrasing has the precision and flexibility that might be expected from a small group of soloists. The proportion of sheer tone to mere breath is uncommonly high. Like the other Musicana concerts, this one was devoted to post-war Canadian music. It would have been exciting to hear the Festival Singers' accounts of works in the international neo-impressionist repertoire, but their virtuoso range was well displayed in native pieces—Canadian composers have not been slow to assimilate the devices of modern choral writing. The largest of the works heard was an *capella* Mass by the 30-year-old Clifford Ford; clear-textured and neatly organised, it harks back deliberately to the "parody" Masses of the Renaissance. Its sustained dissonances, placed with perfect assurance, almost edible. A less refined performance might make a more

Purcell Room Ferrier prizewinners

by RONALD CRICHTON

Lynda Russel, the soprano who won this year's Kathleen Ferrier Memorial Prize, and Fiona Kimm, the mezzo-soprano runner-up, gave a joint recital last night. Their choice allowed them only one solo group each, but together they sang Purcell's *Elegy upon the Death of Queen Mary* and groups by Dvorak and Brahms, the shortish programme being completed by a substantial encore—Rossini's *La regina veneziana*. Duets are fun up to a point—but once that point is reached they are more fun for performers than for listeners.

The Purcell and Rossini were both in their very different ways (the one stately, the other comic) musically worth doing and well done. Romantic comedy posers like Brahms and Dvorak could, one feels, have gone on for ever setting unmemorable verse to cosy chatus of thirds and sixths and phrases in imitation. Of this selection, the second of three numbers from Dvorak's *Moravian Duets* and Clara Taylor was the accom- "die Schwestern" of Brahms

The Entertainment Guide is on Page 40

BY DON...
sponsored...
k hurdle



John Surman

Guildhall, Barbican Lenze, Zender, Webern

was a BBC Invitation pronouncements of the trio. The designed as usual to reserving music upon an e prepared to be edited there was no parallel here to also made an excellent for catching the soprano streams in the larger work; Mwji Bryn-Julson on the wing No. Kyo suggested, rather an she returns to America. Adolent turning of the pages of lines which can spin a a sketchbook. The rest was a banquet of baby at home in the Webern, almost a Japanese banded- lines beloved of quiet: tiny dishes exquisitely and there is always the presented. There was a pe that Webern's stratos- vigorously articulate perform- op. 17 and op. 18 may as the op. 23 Quartet (violin, I prove to be simple: clarinet, saxophone and piano), other reason could one and most sensitively shaped ac- or inviting, Miss Bryn- counts by the BBC Singers of the lovely, canonic "Entlight ave metted Webern him- auf leichten Kähnen" op. 2, and with Henze's Rimbaud, the virtually unknown pair of Being Resolute, soul- choral songs, op. 18 — delicate ly and gravely over the and dense, frosted with celesta ruminations of cellos and guitar. Miss Bryn-Julson p. Here as elsewhere reappeared for the knotty solo pulous conductor was songs already mentioned: in the under, with members of op. 17 Sacred Folk songs she fully bore out the claims made ender's own Myri No Kyo. For their expressive power by ad next an exercise in Jonathan Harvey in his intro- ductory remarks. The murder- was, perhaps, the coherent of undid picture they provided of music's aspirations. In pre-war England that impressed: whether frankly idealistic, as in John Ireland's setting of Addison Symonds' Utopian vision These things shall be, or fully cognizant of the destructive power of man, as in the Vaughan Williams cantata, they all spoke strongly of a better world towards which only art could point.

"He dreameth of beauty/He seeks to create/Fairer and fairer/To vanquish his Fate": the words Holst set in his Tablée Concert and Vaughan Williams' *Dona nobis pacem* (if all familiar to me. This music breathes an air which, if not foreign, is at least utterly remote from the music with which I naturally feel close identification.

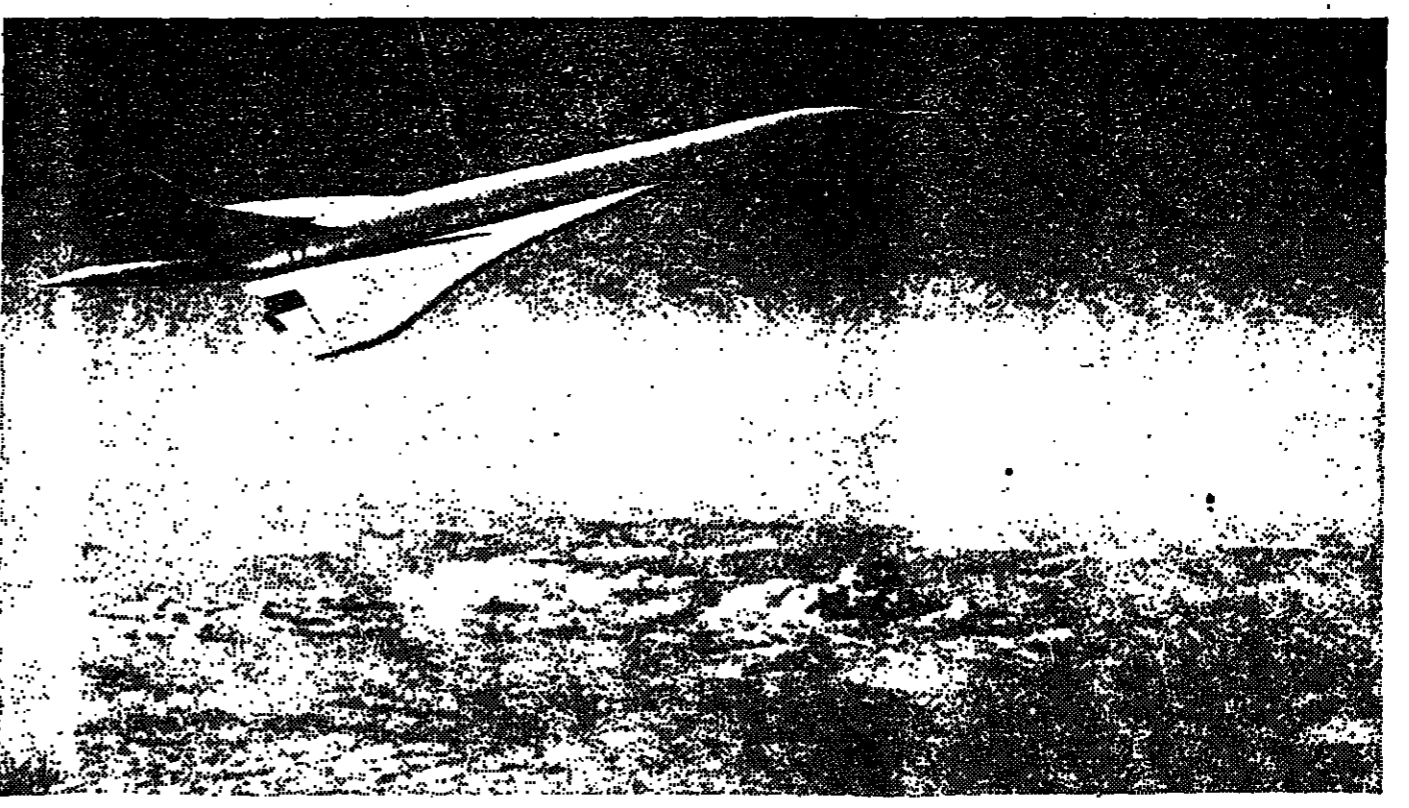
So it was neither nostalgia, nor a sense of inherited English- ness which led me to find this sequence of large choral works almost entirely convincing. It was, perhaps, the coherent of undid picture they provided of music's aspirations. In pre-war England that impressed: whether frankly idealistic, as in John Ireland's setting of Addison Symonds' Utopian vision These things shall be, or fully cognizant of the destructive power of man, as in the Vaughan Williams

Festival Hall Royal Choral Society

No special sense of tradition or heritage binds me to the English choral music of the 1830s. I grew up without the works of Ireland, Holst and Vaughan Williams indeed of the works in last night's Silver Jubilee Concert only Vaughan Williams' *Dona nobis pacem* is familiar to me. This music breathes an air which, if not foreign, is at least utterly remote from the music with which I naturally feel close identification.

So it was neither nostalgia, nor a sense of inherited English- ness which led me to find this sequence of large choral works almost entirely convincing. It was, perhaps, the coherent of undid picture they provided of music's aspirations. In pre-war England that impressed: whether frankly idealistic, as in John Ireland's setting of Addison Symonds' Utopian vision These things shall be, or fully cognizant of the destructive power of man, as in the Vaughan Williams

Paris-New York in 3 1/2 hours. Daily from 22nd November.



Now you can make your reservation for a 4-hour Headstart on the rest of the world. November 22nd marks the debut of daily supersonic service between Paris and New York. The Headstart Flight leaves Roissy at 11 a.m. and arrives at J.F.K. Airport in New York at 8:30 a.m. local time.

You'll arrive in New York refreshed and relaxed, four valuable hours faster than by any other flight, right at the start of a full business day. You'll cross the Atlantic in a mere 3 1/2 hours aboard incomparable Concorde, surpassing the sun for speed.

The precious gift of Air France is to make the most of your precious time.



The best of France to all the world.

FINANCIAL TIMES

BRACKEN HOUSE, 16, CANNON STREET, LONDON EC4A 3DF
 Editor: 0256241/2, 0256297. Advertisements: 0256033. Telegrams: Financial, London. PSA
 Telephone: 01-248 9000

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 2 3625

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Birmingham: George House, George Road, Tel: 238650 Tel: 021-454 0923
 Bonn: Presshaus 11/164 Heussallee 2-10. Tel: 069-543 21; 210639
 Brussels: 29 Rue de la Loi. Tel: 512-9047
 Dublin: 8 Fitzwilliam Square. Tel: 5414 Tel: 785257
 Edinburgh: 37 George Street. Tel: 72484 Tel: 031-226 4120
 Frankfurt: Im Sachsenlager 12. Tel: 416263 Tel: 553700
 Johannesburg: P.O. Box 2128. Tel: 9-8237 Tel: 538-7545
 Madrid: Espronceda 32, Madrid 2. Tel: 253 9173

MANCHESTER OFFICES

Manchester: Queens House, Queen Street. Tel: 668815 Tel: 061-534 8381
 New York: 75 Rockefeller Plaza, N.Y. 10019. Tel: 60390 Tel: (212) 541 4225
 Paris: 26 Rue du Sentier, 75002. Tel: 220644 Tel: 238 5742
 Rome: Via della Mercede 55. Tel: 61932 Tel: 678 3314
 Stockholm: c/o Svenska Dagbladet, Raallambagatan 7. Tel: 17913 Tel: 50 60 88
 Tehran: P.O. Box 11-1873. Tel: 212624 Tel: 862698
 Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-3 Otemachi, Chiyoda-ku. Tel: 271-2111
 Washington: Second Floor, 1225 E. Street, N.W., Washington D.C. 20004. Tel: 440225 Tel: (202) 347 9676

ADVERTISING OFFICES

Birmingham: George House, George Road. Tel: 238650 Tel: 021-454 0923
 Edinburgh: 37 George Street. Tel: 72484 Tel: 031-226 4120
 Frankfurt: Im Sachsenlager 12. Tel: 416263 Tel: 553700
 Johannesburg: P.O. Box 2128. Tel: 9-8237 Tel: 538-7545
 Madrid: Espronceda 32, Madrid 2. Tel: 253 9173

MANCHESTER OFFICES

Manchester: Queens House, Queen Street. Tel: 668815 Tel: 061-534 8381
 New York: 75 Rockefeller Plaza, N.Y. 10019. Tel: 423025 Tel: (212) 492 2040
 Paris: 26 Rue du Sentier, 75002. Tel: 220644 Tel: 238 5742
 Tokyo: Kasahara Building, 1-4-10 Uchikazanda, Chiyoda-ku. Tel: 27104 Tel: 285 4060

SUBSCRIPTIONS

Copies obtainable from newspapers and bookstalls worldwide or on regular subscription from Subscription Department, Financial Times, London.

Dechuman digitology



802
 174x56x74mm
 *i.e. especially large (3/4 in numerals) - for wall or counter) and powerful (battery) digital clock. About £54 from the world's leading manufacturer.
COPAL ask for a colour booklet 01-445 0439
 Action House, 46 Woodhouse Road, London E12

EUROPEAN NEWS

Brighter prospects for German N-power

By Jonathan Carr

BONN, Nov. 14. A NEW optimism over the future of the West German nuclear power industry is emerging after many months of despondency. It has become evident even before the results of the Social Democrat Party (SPD) Congress this week, at which atomic energy will be a key and controversial topic.

Share prices have been rising strongly not only of companies directly involved in nuclear power station construction but of others in the energy sector of the companies which keep it supplied.

The immediate reason is the decision last week of the SPD's coalition partner in Bonn—the Free Democrat Party (FDP)—not to insist on a year-long moratorium on the building of new atomic power stations.

Beyond that there is a widespread feeling that at last the supporters of nuclear power are starting to gain the upper hand against opponents who have long been more vociferous and have tended to receive more attention in the Press.

Spanish airports reopen, but dispute simmers on

By Robert Graham

MADRID, Nov. 14.

SPAIN'S CIVIL airports returned to normal this morning after a three-day total shutdown, but the dispute that provoked the closure was still unresolved and further industrial action is likely.

Although the 11,000 striking civil aviation employees returned to work this morning, their representatives said that another 24-hour strike is planned for Friday if their 28 per cent. across-the-board pay increase is not conceded.

The unresolved claim has now become a major political issue that could seriously strain the unity achieved by the Government and the opposition Communist and Socialist parties when they signed the social contract three weeks ago.

Both the Communist and Socialist parties, with different degrees of firmness, have rejected the idea that the agreement, known as the Moncloa pact, has a retroactive effect.

The civil aviation workers' pay claim has been on the table since May and the Government on the other hand is using it as a test case to ensure that wages are kept within the pact's ceiling of 25 per cent. For 1977 and 22 per cent. for 1978.

The concept of retroactivity for the pact was apparently not considered when it was signed by either the Government or opposition.

The Government has relied perhaps too much on its own strength in preventing the strike, and it has underestimated the ability of purpose of a labour

force that is still not properly organised. For instance, by just sitting out a 19-day strike of 20,000 public works employees, which ended on Saturday, the Government was able to avoid conceding the strikers' pay demands.

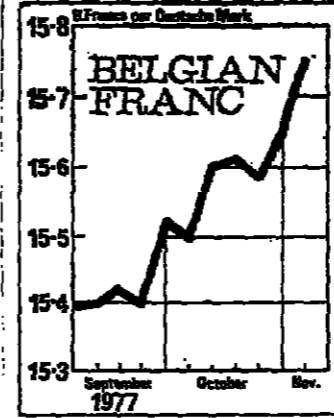
More importantly, the airport strike has exposed the cumbersome and potentially complex nature of implementing the Moncloa pact. The opposition parties, though in theory signing in the name of the trades unions and the bulk of the nation's labour force, cannot necessarily deliver a tame labour movement.

To reach a settlement in the civil aviation workers' demands, a formula will have to be devised to satisfy not only the Government and civil aviation workers,

but also the opposition U.K. Foreign Secretary, David Owen, is to have talks about Gibraltar later this month with the Spanish Foreign Minister, Sr. Marcelino Oreja, announced.

It was at pains to point out that these were not to be regarded as negotiations but were purely "exploratory". The talks will take place on the fringes of the Council of Europe ministerial meeting at Strasbourg on November 24, and will be attended also by Sir Joshua Hassan, Gibraltar's Chief Minister, and Mr. Maurice Zibarras, leader of the opposition.

Spain has operated a blockade for eight years in her claim to the Rock.



Pressure eases on Belgian franc

By David Buchan

BRUSSELS, Nov. 14.

PRESSURE FOR an immediate devaluation of the Belgian franc against the West German mark inside the European joint currency snake eased to-day as the franc closed stronger here.

For the first time in a year the Belgian franc hit its snake ceiling of B.Frs.15.765 against the mark at the end of the D-Mark at the end of put it at B.Frs.15.73 against the mark, and the mood on the foreign exchange was described as quieter.

Basically, both the Belgian Government and the central bank feel that with the overall balance of payments in surplus and a falling inflation rate, the franc is not over-valued, however it is tied to the West German economy which consistently out-performs its own.

The problem for Belgium, however, is that, through the snake, it is tied to the West German economy which consistently out-performs its own. Certainly, after the recent flurry on the foreign exchange market, it is now extremely rare for the franc to rise over the mark, which has fallen from 9 per cent. at the start of the year to 6 per cent., will come any lower.

Bank of Italy intervenes in support of the lira

By Paul Betts

ROME, Nov. 14.

FACED WITH declining industrial production, persistent inflation, a public-sector deficit likely to be nearly double the limit imposed by the International Monetary Fund, and the intrasigence of the trade unions, there are tentative signs that the Italian currency is beginning to come under pressure.

Over the past ten days, since starting was floated, the Bank of Italy is understood to have intervened in support of the lira of payments position, with an expected surplus in October for monetary and administrative measures, has been fairly stable during the past nine months. But the apparent stability of the lira, fluctuating between 877 and 900 against the dollar since mid-January, is to a large measure accounted for by the present weakness of the U.S. currency. To-day the lira closed in Milan at 876.95 to the dollar compared with 877.05 on Friday. The latest batch of official

statistics show a decline in industrial production for the third consecutive month in September of the order of 4.5 per cent., and a rise in the cost-of-living index of 1.9 per cent. in October over the previous month. Although in October 1976 the monthly index rose by a substantial 3.4 per cent., this leaves Italy with a current annual inflation rate of just over 19 per cent.

There has been a sizeable improvement in the current balance of payments position, with an expected surplus in October for the fifth month in a row. This has been achieved by a price rise in the cost-of-living index of 1.9 per cent. in October over the previous month, following a 7.7 per cent. drop in output in July and a 0.8 per cent. decline in August, is evidence of an approaching recession. This is further confirmed by a marked slow-down in bank lending activity. At the same time, there has been a slump on the Milan Bourse — another

despite its marginal role in the Italian economy. While there has been an improvement in the trade account oil and agricultural deficits have next to grow. The deficit, in effect, increased to 14,759bn. (about £3.2bn.) in the first nine months of 1976 15,492bn. (about £3.7bn.) for the same period this year. Fourth month, traditionally sees a rise in oil imports.

The agricultural deficit stood at 12,889bn. (about £1.9bn.) in the first nine months of this year or some 14,150bn. (£240m.) more than during the same period last year. With the threat of a recession and rising unemployment, trade unions are pressing Government to revise its 1.2 to 3 per cent. growth target for next year. The main trade union confederation, the CGIL, which is expected to involve some 8m. people and bring industry to a halt.

Dutch coalition move

By Michael van Os

AMSTERDAM, Nov. 14.

THE MEDIATOR in the continuing Dutch political crisis has decided to explore the possibility of forming an alternative coalition to the one which has been a caretaker administration for the past seven months.

This followed the fifth collapse on Friday of the talks, aimed at forming a new cabinet, between the two major partners in the outgoing Cabinet, the Labour Party and the Christian Democrats '66 Party as third partner.

The mediator, the Christian Democratic former politician, Prof. Willem van der Grinten, to-day discussed a possible pact between Labour, the largest Christian Democratic Party for party, and the main Right-wing governing with Labour.

opposition party. VVD. Although such a combination would command the second biggest possible majority in Parliament, Labour has been reluctant to accept the political differences were such that this plan would not stand a chance.

The mediator is expected to move almost immediately to his next alternative, a coalition between the Christian Democrats and the VVD. The chance of this attempt succeeding is also slim, however, since the two sides account for only 77 out of the 150 seats in parliament. Such a small resultant majority is not considered workable, in view of the sympathy within part of the Christian Democratic Party for

the Government is also coming under pressure from national employers' federations, which is calling for a 4.5 per cent. growth target, a number of major industrial sectors.

The Government is also coming under pressure from national employers' federations, which is calling for a 4.5 per cent. growth target, a number of major industrial sectors.

So far, the minority Christian Democrat Government of Giulio Andreotti seems intent on pursuing its short-term policy of bringing down inflation by containing the expanding public sector deficit, now estimated officially at more than 12,000 (about £15.5bn.) next year against an IMF ceiling of 11,445bn.

Resurgence in Swiss tourism

By John Wicks

ZURICH, Nov. 14.

IN SPITE of rainy weather and the high level of the franc exchange rate, Swiss tourism this summer experienced an upswing from a decline which began in 1972. For the June-August season, Swiss hotels recorded some 11.5m. bed-nights, an increase of 8 per cent. over the same period of 1976, while capacity use improved from 48 per cent. to 48 per cent.

The rise was due mainly to a 15 per cent. increase in the number of bed-nights accounted for by foreign visitors. This follows a similar rise in tourist activity for the past winter season. In 1977, the first nine months showed a 6 per cent. rise in foreign tourists, and a 7 per cent. increase in the flow of foreign visitors. This year is accounted for mainly by a big rise in the numbers of U.S., German and Italian visitors.

number of bed-nights accounted for by foreign visitors. This follows a similar rise in tourist activity for the past winter season. In 1977, the first nine months showed a 6 per cent. rise in foreign tourists, and a 7 per cent. increase in the flow of foreign visitors. This year is accounted for mainly by a big rise in the numbers of U.S., German and Italian visitors.

number of bed-nights accounted for by foreign visitors. This follows a similar rise in tourist activity for the past winter season. In 1977, the first nine months showed a 6 per cent. rise in foreign tourists, and a 7 per cent. increase in the flow of foreign visitors. This year is accounted for mainly by a big rise in the numbers of U.S., German and Italian visitors.

Oslo plans oil ministry

By Fay Gjester

OSLO, Nov. 14.

A BILL proposing the creation of a separate ministry for oil and energy affairs was tabled by Norway's Labour Government at the week-end. Until now oil and energy matters have been the responsibility of the Industry Ministry.

The new ministry will have five divisions—two concerned with oil, one with electricity and hydro-electric development, one with research and development, and the formulation of energy policies, and one with

administration. Inspection and safety offshore will for the time being be the responsibility of a secretariat attached to the new ministry.

The Storting (parliament) is expected to debate the Bill before the end of the year. Meanwhile, November is expected to bring the offer of new oil and gas concessions in Norway's sector of the North Sea. This fourth concession round, temporarily shelved after the blow-out of the Ekofisk field last spring, will comprise 16 blocks.

administration. Inspection and safety offshore will for the time being be the responsibility of a secretariat attached to the new ministry.

The Storting (parliament) is expected to debate the Bill before the end of the year. Meanwhile, November is expected to bring the offer of new oil and gas concessions in Norway's sector of the North Sea. This fourth concession round, temporarily shelved after the blow-out of the Ekofisk field last spring, will comprise 16 blocks.

Jobs figures give Barre a fillip

By David Curry

PARIS, Nov. 14.

AFTER the near farce of the French Government's emergency measures to freeze or reduce some retail prices—action which provoked spasmodic retailers' strikes last week—the employment figures brought more reassuring tidings for beleaguered Prime Minister Raymond Barre at the week-end.

Employment in October showed an improvement in all respects. Seasonally corrected, there was a 5 per cent. decline in unemployment in September from 1.157m. to 1.1m. This was a much steeper drop than last year over the same period.

In crude figures, unemployment reached a new peak of 1,205m. against 1,175m. in September, but here again the comparison with the previous

year is favourable. The rise was much more than at the same time in 1976.

Finally, almost a 1m. job-hunters found positions in October, a much better performance than usual for the time of the year. The year-on-year increase in unemployment, which had been running at 25 per cent., has been trimmed to 17.5 per cent.

The figures, however, leave a number of questions unanswered. In particular there was a contraction in October in the number of vacancies available. Even discounting the frequent bypassing by employers of the official employment bureau (the ANPE), on which the figures are based, the Government's incentive scheme for youth employ-

ment and the Patronat's pledge to take on 300,000 young people by the end of the year had been expected to swell the vacancies.

In its attempt to trim the unemployment figures the Government intends in future to eliminate young people awaiting call-up for national service and those who have passed the civil service entrance examination and are awaiting assignment.

For its part, the CGT Communist-led union applies to Labour Organisation-based statistics designed to prove that unemployment is rising remorselessly. The net effect is to create a widening gap between the official and the unofficial definitions of unemployment.

CHARTER '77 AND AFTER

The Slovak ascendancy

By Paul Lendoval, recently in Prague

WHO MAKES UP the population of Prague? East German tourists, Slovak ministers and a hard-working Czech minority. This is one of the countless jokes about the ascendancy of the Slovaks the visitor hears in the capital of Czechoslovakia, with its 1.2m. inhabitants. They reflect the view that the real winners of the short-lived "Prague Spring" of 1968 are the Slovaks. Though accounting only for less than one-third of the 15m. population, the Slovaks enjoy since January, 1969, not only a high degree of autonomy in their own republic but also a virtual full parity in many key federal bodies.

More important still, the number one man in politics is Dr. Gustav Husak, who after the Warsaw Pact invasion and the fall of the reformist leader, Mr. Alexander Dubcek in April 1969 took over as Secretary General, and a couple of years ago also as Federal President. He is also a Slovak. This too symbolises the full equality of the smaller Slav nation which was lorded over for centuries by the Hungarians and after the collapse of the Austro-Hungarian monarchy again denied autonomy, albeit more gently, by the dominant Czechs.

Economically too, Slovakia is rapidly catching up with the Czech lands. Slovakia's share of the total national income increased from 23.5 per cent. in 1960 to over 30 per cent. in 1975.

What does this all mean in the political sense? That the civil war, rebellious Slovaks now represent a relatively conservative and stabilising element. It is a basic law of the "Charter 77" human rights movement that it has all along been restricted to Czech lands. Aside from Mr. Miroslav Kucy, a prominent philosopher, no Slovak political or intellectual figure of any significance is said to be among the 500 signatories of the charter.

Observers now generally agree in Prague that it was the nervous, and in the first phase, even hysterical, reaction of the regime that lent the anti-reform importance out of all proportion to the real influence of the "Charterists". The massive "hate campaign" of last spring, including the show trials of the 1950s in an attack against a prominent "Charlist" party chief stopped the worst excesses. He

also had been a victim of the same trials and thus, not surprisingly, detected a covert challenge to his authority by the hard-liners.

The period of acute police harassment was followed by a relative lull. Two of the four intellectuals arrested in January, the famous writer Vaclav Havel

and Mr. Frantisek Pavlicek, a theatre producer, were set free in May pending their trial. In June Mr. Zdenek Myrza, a top "Charlist" and a secretary of the Communist party's central committee in 1968 was allowed to emigrate to Austria. It was a major blow to the morale of the activists and others who had lost their jobs followed suit.

But then, contrary to general expectations, the regime last month staged in quick succession two trials. First, two young intellectuals were sentenced to prison terms of up to three years in the city of Usti and Labem for having circulated the text of the charter and other subversive literature. Then followed the trial of four intellectuals. It was condemned by the French Communists as "a caricature of justice that disfigures the face of Socialism."

Havel and Pavlicek got away with suspended sentences of 14 and 17 months respectively. But Mr. Ota Ornest, a former theatre director, was sentenced to three years and Mr. Jiri Lederer, a well-known journalist, to three years.

The trial led to a renewal of the bitter polemics between the Western Communist parties and the Prague government. It became also a major bone of contention at the Belgrade follow-up

conference on the implementation of the Helsinki accords on human rights. The timing of the trial also provided a plethora of jobs.

In this sense, the winners far are not only the Slovaks also, thousands of officials, professional people who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

But the plight of those individuals who defied the regime and who cannot rely on foreign royalties like Mr. Havel and the other famous writer, Mr. Pavel Kohout, is not the carefully founded knowledge. Professor Milan Machovec, the prominent Marxist philosopher for example, was in the 1960s the initiator of the Dialogues between Christians and Marxists. To-day he supports his family by playing the organ in a Prague church. Others have difficulties even in finding jobs as stokers or dish-washers.

As Mr. Havel put it, "The people in general are divided according to their behaviour in 1969." This classification led years ago to massive rehashes from top to bottom in all fields of the state and party apparatus. In the economy alone, 40 per cent. of the leading personnel was replaced by 1971. Over 1,500 journalists were purged in the course of the "normalisation". If one adds that an estimated 150,000 people, including thousands of highly qualified experts, left the country after 1968, it becomes evident that there was a large-scale shift in the administrative apparatus of the state, involving the setting up of three non-Communist population

of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

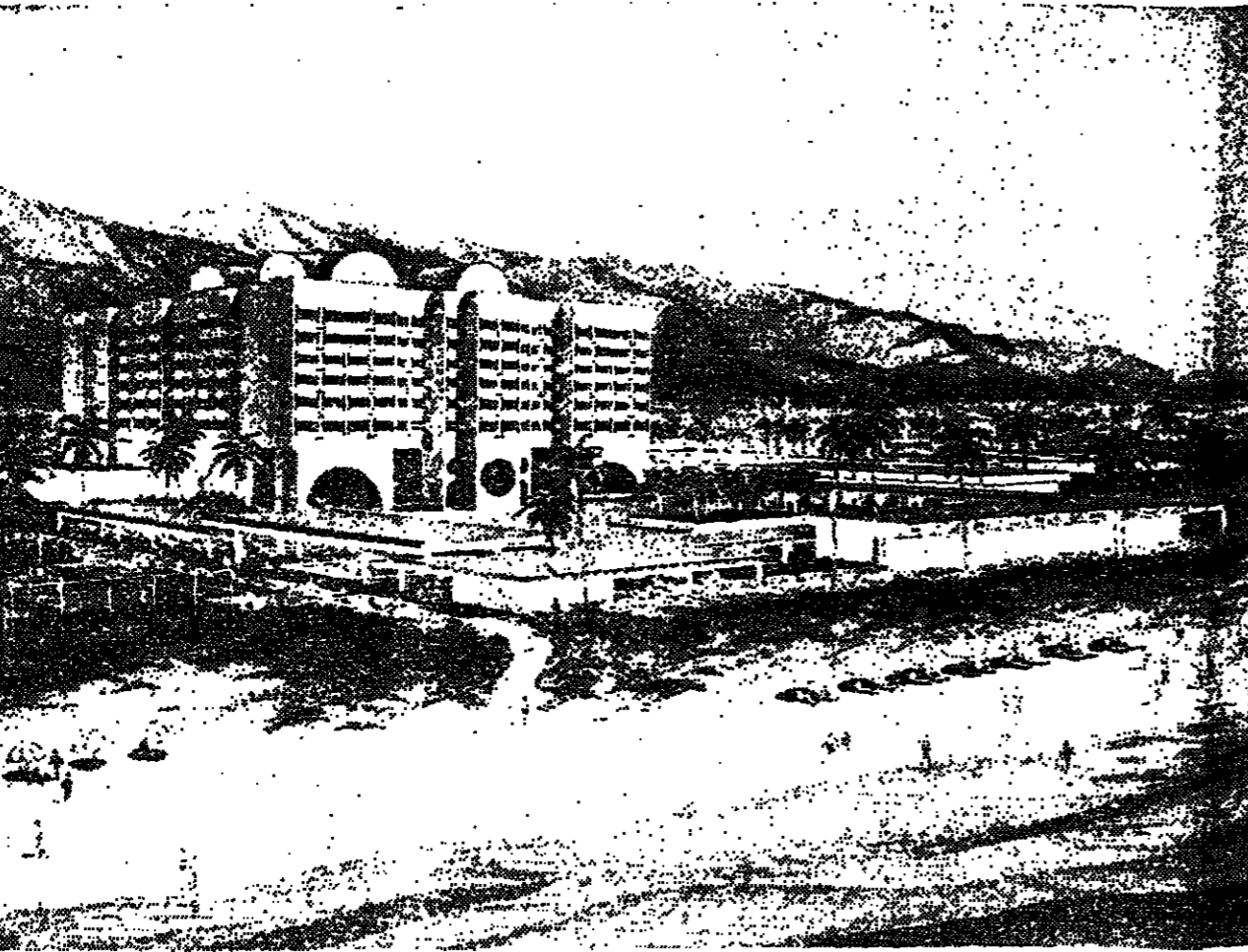
More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

More surprising is the role of these non- or anti-Communist intellectuals who take a view of such Charterist activity as former Foreign Minister to the entire affair as being "naive". The four intellectuals were not put on trial because of their support for the charter but on account of their contacts with Czech and Slovak Communist agents who suffered during the Stalin Mr. Havel told me. As a former privileged "Charter 77" manifesto was a still usable to accept the document compiled and ordered by "certain Western circles". He estimated that between 70-80 per cent. of the Charter's checking had lost their jobs or their children had not been admitted to the universities.

When you stay with us in Oman you know where you are.

The opening of our new Inter-Continental hotel provides the experienced traveller with the reassurance that he can now enjoy the very highest standards of luxury and service in Muscat. Located directly on the beach, the Inter-Continental Hotel in Muscat is, of course, fully air-conditioned. It has 308 rooms and 20 cabanas; restaurants, bars, and a discotheque; a swimming pool, tennis court, and even a shopping arcade. Providing every service both for business and to ensure your enjoyment of your stay, our new hotel is designed — like every Inter-Continental hotel — to make you feel thoroughly at home. Come and stay with us soon.

MUSCAT INTER-CONTINENTAL HOTEL



For reservations, call Muscat 600500 P.O. Box 1398, Muttrah, Sultanate of Oman Telex 3491. LONDON: 01-234 7791. BIRMINGHAM: 021-236 2510. MANCHESTER: 061-934 1196. GLASGOW: 041-221 9030. FRANKFURT: 230561. GENEVA: 863021. PARIS: 01-38320. VIENNA: 66361. AMMAN: 41361. DUBAI: 27171. RIYADH: 34500. TEHRAN: 657171.

Now your international customers can dial you direct from most European cities, Britain and New York for the cost of a local call. Through Service 800. For further details telephone London 725 0200. Geneva 01 71 71. Frankfurt 28 45 14. Amsterdam 01 20 98. Paris 01 26 97 97.

مكتبة الامم المتحدة

OVERSEAS NEWS

Opposition by Assad to Sadat line grows

Our Foreign Staff

ESIDENT Anwar Sadat of Egypt will run into strong opposition to his latest moves when he flies later this week to meet President Assad.

Syria has been troubled by Mr. Sadat's saying that he was willing to go to the Middle East and accept a peace conference being convened.

Syria has always set as much as a strict alliance with the Middle East and against the West as a condition for its participation in a peace conference.

So far, Syrian officials have been reluctant to take the initiative as well as the role of mediator in the Arab summit in Geneva.

Senior Syrian officials yesterday indicated that when Mr. Sadat has arrived in Damascus a Government will make a statement about the initiative.

Hitherto this has meant, in essence, the representation of the Palestine Liberation Organization (PLO) at Geneva and a united Arab delegation to the conference.

Diplomats in Damascus said that the U.S.-Israeli working paper on the Middle East is the main cause of the major divergence of opinion between the Syrian and Egyptian positions.

From Tunis, Inter-Press reported yesterday that the foreign ministers' meeting had ended with a victory for the more moderate Egyptian position.

From Kuwait, Mr. Valentin Gonzalez, the Venezuelan Minister, who has visited so far Iran, Iraq, Qatar, the United Arab Emirates and Saudi Arabia, to co-ordinate OPEC views.

Mr. Duncan said he believed there were major legal hurdles to be overcome before either mining or enrichment as now proposed could proceed.

Mr. Duncan said the final report of the environmental inquiry on uranium had questioned the legality of proceeding under the Atomic Energy Act, which was enacted primarily as a defence measure.

Anglo-American proposals total failure, says Nkomo

BY BRIDGET BLOOM

LUSAKA, Nov. 14

THE CURRENT Anglo-American initiative to achieve a negotiated settlement in Rhodesia is "a total failure," Mr. Joshua Nkomo, joint leader of the Patriotic Front, said here this afternoon.

Mr. Nkomo, who was addressing a specially convened Press conference, indicated that the refusal of Mr. Smith, the Rhodesian Prime Minister, to attend the proposed ceasefire conference in Malta this week was the immediate cause of breakdown.

But the "total failure" of the initiative, Mr. Nkomo said, was the refusal of Mr. Smith to attend the conference.

Mr. Nkomo said the initiative was a non-starter and unacceptable, undoubtedly posing the British Government with its biggest difficulty since the failure of the Geneva Conference last January.

In some respects, the situation is even worse now, for both Dr. Owen and Mr. Andrew Young, American Ambassador to the U.N., and behind them their respective governments, have put their credibility on the line with the new initiative.

It seems doubtful at this stage whether much can be salvaged from the Anglo-American plan. Mr. Nkomo indicated today, for example, that he rejected one key element—the proposal for elections before independence to decide which nationalists would rule an independent Zimbabwe.

Dr. Owen himself earlier this month suggested that if the proposed elections went, the Anglo-American initiative would no longer be viable.

Although it may be assumed that neither the British nor the U.S. Government will give up trying for a negotiated settlement, it seems certain there will be increasing pressure at the U.N. and elsewhere for the West to take a tougher line on Rhodesia.

The most likely and immediate form that pressure might take is in demands for tightened sanctions on oil supplies. It has already been widely acknowledged that such a step could lead to a boycott of oil supplies to South Africa, since the Republic is Rhodesia's sole supplier of oil.

Asked whether this split the failure of the settlement initiative as far as he was concerned, Mr. Nkomo said: "I think it is total failure. The whole trend shows this." He did not completely close the door on future talks—it was up to Britain to salvage something from the wreckage if it could.

But the Patriotic Front leader's remarks, coming within 24 hours of Mr. Smith's declaration that the Anglo-American proposals for a new Zimbabwean Government were "a non-starter" and unacceptable, undoubtedly pose the British Government with its biggest difficulty since the failure of the Geneva Conference last January.

In some respects, the situation is even worse now, for both Dr. Owen and Mr. Andrew Young, American Ambassador to the U.N., and behind them their respective governments, have put their credibility on the line with the new initiative.

It seems doubtful at this stage whether much can be salvaged from the Anglo-American plan. Mr. Nkomo indicated today, for example, that he rejected one key element—the proposal for elections before independence to decide which nationalists would rule an independent Zimbabwe.

Dr. Owen himself earlier this month suggested that if the proposed elections went, the Anglo-American initiative would no longer be viable.

Although it may be assumed that neither the British nor the U.S. Government will give up trying for a negotiated settlement, it seems certain there will be increasing pressure at the U.N. and elsewhere for the West to take a tougher line on Rhodesia.

The most likely and immediate form that pressure might take is in demands for tightened sanctions on oil supplies. It has already been widely acknowledged that such a step could lead to a boycott of oil supplies to South Africa, since the Republic is Rhodesia's sole supplier of oil.

It seems doubtful at this stage whether much can be salvaged from the Anglo-American plan. Mr. Nkomo indicated today, for example, that he rejected one key element—the proposal for elections before independence to decide which nationalists would rule an independent Zimbabwe.

Dr. Owen himself earlier this month suggested that if the proposed elections went, the Anglo-American initiative would no longer be viable.

Although it may be assumed that neither the British nor the U.S. Government will give up trying for a negotiated settlement, it seems certain there will be increasing pressure at the U.N. and elsewhere for the West to take a tougher line on Rhodesia.

whether much can be salvaged from the Anglo-American plan. Mr. Nkomo indicated today, for example, that he rejected one key element—the proposal for elections before independence to decide which nationalists would rule an independent Zimbabwe.

Dr. Owen himself earlier this month suggested that if the proposed elections went, the Anglo-American initiative would no longer be viable.

Although it may be assumed that neither the British nor the U.S. Government will give up trying for a negotiated settlement, it seems certain there will be increasing pressure at the U.N. and elsewhere for the West to take a tougher line on Rhodesia.

The most likely and immediate form that pressure might take is in demands for tightened sanctions on oil supplies. It has already been widely acknowledged that such a step could lead to a boycott of oil supplies to South Africa, since the Republic is Rhodesia's sole supplier of oil.

It seems doubtful at this stage whether much can be salvaged from the Anglo-American plan. Mr. Nkomo indicated today, for example, that he rejected one key element—the proposal for elections before independence to decide which nationalists would rule an independent Zimbabwe.

Dr. Owen himself earlier this month suggested that if the proposed elections went, the Anglo-American initiative would no longer be viable.

Although it may be assumed that neither the British nor the U.S. Government will give up trying for a negotiated settlement, it seems certain there will be increasing pressure at the U.N. and elsewhere for the West to take a tougher line on Rhodesia.

The most likely and immediate form that pressure might take is in demands for tightened sanctions on oil supplies. It has already been widely acknowledged that such a step could lead to a boycott of oil supplies to South Africa, since the Republic is Rhodesia's sole supplier of oil.

It seems doubtful at this stage whether much can be salvaged from the Anglo-American plan. Mr. Nkomo indicated today, for example, that he rejected one key element—the proposal for elections before independence to decide which nationalists would rule an independent Zimbabwe.

Dr. Owen himself earlier this month suggested that if the proposed elections went, the Anglo-American initiative would no longer be viable.

Mozambique claims two Rhodesian jets hit

By Our Foreign Staff

MOZAMBIQUE yesterday claimed to have shot down two Rhodesian jet fighters and a helicopter some 50 miles inside Mozambique territory.

Mozambique Radio said the aircraft had been shot down on Sunday when Rhodesian jets and helicopters had mounted an attack on the town of Mapai in Gaza Province, which lies some 50 miles from the southern frontier with Rhodesia.

The radio said the attackers had been forced to withdraw. If the Mozambique claims were confirmed, this would be Rhodesia's greatest loss of aircraft in a single incident since the resumption of the guerrilla war in December 1972.

However, past Mozambique claims of this sort have been strongly denied by the Salisbury Government.

With the escalation of the Rhodesian bush war in the past year, Rhodesia has resorted to greater frequency to raids into Mozambique against nationalist guerrillas based there.

One of the most serious incidents known, occurred last May when, in a five day operation, Rhodesian security forces advanced as far as Mapai to eliminate guerrilla bases and ammunition dumps. They briefly held the town.

Last Wednesday, Rhodesia's regular Mozambique Frontline troops of crossing its frontier and staging armed robberies. Pretino, it said, had ambushed a white woman and had also fired across the border during the past fortnight.

Mozambique for its part has persistently accused Rhodesian forces of raids across the border. Earlier this month Rhodesian troops were said to have crossed into Manica Province, an allegation denied by Salisbury.

In recent months, Botswana and Zambia have also accused Rhodesia of attacks on their territory.

SOMALIA'S BREAK WITH RUSSIA

A calculated act

BY JAMES BUXTON

SOMALIA'S DECISION to end the 1974 treaty of friendship with the Soviet Union might appear at first sight an act of desperation by President Siad Barre of Somalia. Despite the fact that the Soviet Union reportedly stopped sending arms and supplies to Somalia several weeks ago, and has been making large deliveries to Ethiopia, the Somali leader confined himself to public warnings to the Kremlin.

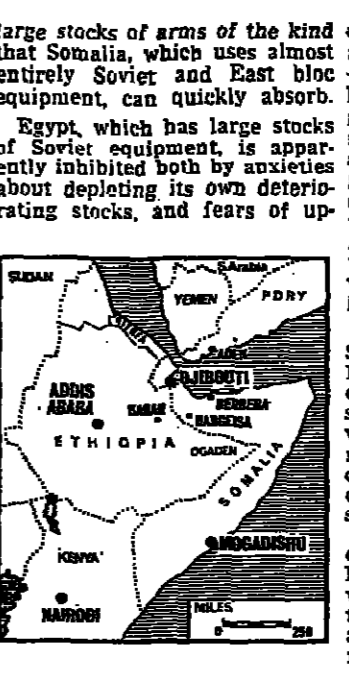
He apparently hoped that the Soviet Union would sufficiently value its position in Somalia to restore arms deliveries and restrain Ethiopia. The question has become more urgent in the past two months as Somali commanders have made clear that their men are bogged down in the war against Ethiopia and are facing the stiffest opposition they have yet met.

The new Soviet tanks, aircraft and artillery which the Ethiopian forces have been receiving in the past few months have put them in a position to mount their first major counter-attack since the war began in earnest in mid-July.

Conversely, the Somali forces are reported to be hard-pressed because of a shortage of new armaments and supplies and the difficulty of obtaining what supplies are available. Unseasonal heavy rains have disrupted the Somali forces' major supply line from Hargeisa into a silted black colonialist quagmire.

A further factor in Ethiopia's favour is that its air force has apparently retained control of the air, meaning that Somali reinforcements have to move at night.

Despite the danger Somalia faces it does not appear to have received help from other countries on the scale it may have hoped. Its richer fellow-Arab League members, including Saudi Arabia and Kuwait, appear to have been generous with finance but do not have their commitment when the scale



The dark horse among Somalia's supporters is Iran. In a recent interview, the Shah complained that Iran could not support Somalia "the way we wanted to" because the U.S. had reminded it that U.S. weapons could not be passed to third countries.

setting other African opinion, which is almost unanimously against Somalia's actions in the war, considering them a threat to the OAU principle that inherited colonial frontiers are inviolate. (Somalia, which has never accepted this principle, says it was not designed to cover its frontiers with Ethiopia, which were drawn up by what it considers black colonialists.)

The Arab country which appears to have been most helpful to Somalia is Iraq, which has an ideology, is not an African country and has considerable reserves of Soviet-made equipment. The main constraint on Iraqi help for Somalia is more likely to logistical problems of making large-scale arms transfers.

The U.S., Britain and France agreed to provide Somalia with "defensive weapons" during the summer, but backed down on retain the Somali-populated Ogaden.

Biko 'hurled chair at police'

BY QUENTIN FEE

PRETORIA, Nov. 14

FIVE SOUTH African security policemen overpowered Mr. Steve Biko, leader of the black consciousness movement, after he allegedly hurled a chair at them while being interrogated at security police headquarters in Port Elizabeth, it was stated at an inquest today.

The new evidence about events leading up to the black leader's death in detention was given today by Major Ronald Snyman, deputy head of the security police in Port Elizabeth.

It was also stated that Mr. Biko had been kept in his police cell for more than two weeks, and denied permission to take exercise outside his cell, on the instructions of the security police. In a statement to a magistrate, he had complained about being asked to buy food outside the police station, because he said he was living on bread and coffee alone.

The inquest opened today in Pretoria's Old Synagogue, reserved for important legal cases. The charges were packed with black supporters of Mr. Biko, and the black consciousness movement, several members of his family, including his wife Ntsiki and mother, Mrs. Alice Biko, diplomats representing the U.S., Britain, Australia, Holland, Sweden and West Germany, legal observers, and dozens of domestic and foreign journalists.

The climax of the day came with the evidence by Major Snyman, who was said to be responsible for Mr. Biko's interrogation after he had been arrested at a road block in the Eastern Cape. Major Snyman said that Mr. Biko had been "extremely aggressive" when first questioned, and had denied any knowledge of pamphlets which the police claimed he had written and distributed in the black townships around Port Elizabeth.

He was arrested on August 18, but first questioned only on September 5, and taken to the security police headquarters the next day. By the end of the day he had admitted his authorship of the pamphlets, Major Snyman said.

The security policeman was questioned exhaustively by lawyers representing the Biko family about how he had persuaded Mr. Biko to change his mind, and what methods of interrogation he had used. He said that he had simply presented him with the facts of the case.

Under questioning, Major Snyman agreed that Mr. Biko had been kept at night on a mat in the corner of the security police office, handcuffed and chained with leg irons to a grill. After being released from the mat on September 7 he had thrown his chair at Major Snyman, it was said. When he attacked another policeman with his fists four others present joined in to overpower him.

"During the struggle we bumped into the furniture and the walls," Major Snyman said. The case continues and is expected to last for two weeks.

interrogation he had used. He said that he had simply presented him with the facts of the case. Under questioning, Major Snyman agreed that Mr. Biko had been kept at night on a mat in the corner of the security police office, handcuffed and chained with leg irons to a grill. After being released from the mat on September 7 he had thrown his chair at Major Snyman, it was said. When he attacked another policeman with his fists four others present joined in to overpower him.

"During the struggle we bumped into the furniture and the walls," Major Snyman said. The case continues and is expected to last for two weeks.

Under questioning, Major Snyman agreed that Mr. Biko had been kept at night on a mat in the corner of the security police office, handcuffed and chained with leg irons to a grill. After being released from the mat on September 7 he had thrown his chair at Major Snyman, it was said. When he attacked another policeman with his fists four others present joined in to overpower him.

"During the struggle we bumped into the furniture and the walls," Major Snyman said. The case continues and is expected to last for two weeks.

Under questioning, Major Snyman agreed that Mr. Biko had been kept at night on a mat in the corner of the security police office, handcuffed and chained with leg irons to a grill. After being released from the mat on September 7 he had thrown his chair at Major Snyman, it was said. When he attacked another policeman with his fists four others present joined in to overpower him.

"During the struggle we bumped into the furniture and the walls," Major Snyman said. The case continues and is expected to last for two weeks.

Under questioning, Major Snyman agreed that Mr. Biko had been kept at night on a mat in the corner of the security police office, handcuffed and chained with leg irons to a grill. After being released from the mat on September 7 he had thrown his chair at Major Snyman, it was said. When he attacked another policeman with his fists four others present joined in to overpower him.

"During the struggle we bumped into the furniture and the walls," Major Snyman said. The case continues and is expected to last for two weeks.

Under questioning, Major Snyman agreed that Mr. Biko had been kept at night on a mat in the corner of the security police office, handcuffed and chained with leg irons to a grill. After being released from the mat on September 7 he had thrown his chair at Major Snyman, it was said. When he attacked another policeman with his fists four others present joined in to overpower him.

Continental Bank of Chicago tailors its services to meet your requirements.

Continental Bank is in the United Kingdom for many reasons. One of them is to provide your business with a financial source prepared to adapt itself to your present and future needs, short and medium term.

Individual attention is one of the commitments that make Continental the bank of opportunity all over the world. The bank of opportunity CONTINENTAL BANK.

Australia uranium export threat

BY KENNETH RANDALL

CANBERRA, Nov. 14

THE ATTORNEY-GENERAL in the State Government of South Australia, Mr. Peter Duncan, urged uranium mining companies tonight that a number of legal challenges were being considered as a means of blocking uranium mining and export of uranium from Australia.

Mr. Duncan did not say whether his own Labour Party Government in South Australia is likely to mount the challenges or whether they would come from private protest groups. But he said the actions would be "a key part of the successful campaign" being conducted against the Fraser Government's decision to mine and export radioactive material.

Duncan said he believed there were major legal hurdles to be overcome before either mining or enrichment as now proposed could proceed. "It may be that the Federal Government is acting quite illegally in approving the development of new uranium mines using the Atomic Energy Act as a vehicle."

Mr. Duncan said the final report of the environmental inquiry on uranium had questioned the legality of proceeding under the Atomic Energy Act, which was enacted primarily as a defence measure and carries national security-scale penalties for non-compliance or obstruction.

The Government's current uranium plans. The most important could be the possible contravention of section 114 of the constitution guaranteeing the free exercise of any religion. Proposed mining operations in Arnhem Land, in the Northern Territory, interfered with religious sites of aboriginal people who had lived there for thousands of years.

He suggested there could be three other legal weaknesses in the Government's current uranium plans. The most important could be the possible contravention of section 114 of the constitution guaranteeing the free exercise of any religion.

ON OTHER PAGES

International Company News European aerospace pact Japanese profits setbacks 36/37 Farming and Raw Materials: Australia sheep disease scare 39

AMERICAN NEWS

Demonstrations expected for Shah in Washington

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Nov. 14

WASHINGTON is bracing itself for what are feared could be the most volatile political demonstrations staged here since the anti-war protests of the early 1970s, when the Shah of Iran opened two days of talks with President Carter here tomorrow.

New Alberta oil sands project

BY STEWART FLEMING

NEW YORK, Nov. 14

IMPERIAL OIL, a Canadian company 70 per cent owned by Exxon Corporation of the U.S., is seeking approval for development of a \$600-million plant to extract heavy oil from tar sands at Cold Lake in North-east Alberta.

Dockers offered 30% rise

BY JOHN WYLES

NEW YORK, Nov. 14

NEGOTIATIONS will get under way in ports from Maine to Texas in the next day or two to top off the new master contract for East Coast dockers, agreed yesterday, with local agreements which would clear the way for a return to normal working by the week-end.

CHILEAN POLITICS

Pinochet on the defensive

BY HUGH O'SHAUGHNESSY, RECENTLY IN SANTIAGO

THEY ARE cheering General Augusto Pinochet in Santiago these days. Well, if not cheering, clapping hard. Not everywhere, mind you, but certainly in such places as the cinemas of the barrio Alto, the more exclusive residential area of Santiago.

KINGSTON UPON HULL CITY COUNCIL SAYS...

Thanks a million

To all those businessmen whose enterprise has prompted construction of the first one million square feet of floorspace on Sutton Fields Industrial Estate.

- ★ Full Development Area grants
★ Fast motorway contact with the rest of the country
★ Rapid sea communications to Europe and the Middle East
★ An experienced, loyal workforce
★ A big city location in one of the newest and nearest Development Areas to London

Figure out all the business opportunities by contacting: Ian R Holden, Director of Industrial Development, Kingston upon Hull City Council, 77 Lowgate, Kingston upon Hull, Tel: 233111



Vance may again meet MidEast ministers

By David Ball

WASHINGTON, Nov. 14

MR. CATHURSON VANCE, the U.S. Secretary of State, may meet Arab and Israeli foreign ministers in Europe next month in another attempt to clear the way for a Geneva Middle East peace conference, according to some sources here.

Whether he does largely depends on the outcome of what one official described today as the complex Byzantine inter-Arab negotiating process that is under way. Mr. Vance is due to be in Brussels for a NATO meeting early next month.

There is considerable caution here about the apparently encouraging signals that emerged on the weekend from Tel Aviv and Cairo and the meeting of Arab foreign ministers in Tunis. However, U.S. officials have been saying privately for some time that a way probably could be found to get some non-PLO Palestinian representatives to Geneva and they believe that Egyptian President Sadat's suggestion that Americans might represent the PLO is "encouraging."

They attach particular significance to the fact that Mr. Yasir Arafat, the PLO leader, was in the audience when President Sadat announced that he would be willing to go to Geneva under almost any circumstances. They take this as a clear hint that the PLO may now be willing to acquiesce in a formula that might satisfy the Israelis.

On the other hand they are well aware of the divisions inside the PLO and were unwilling to make too much of the week-end statement by a senior member of the PLO, Mr. Said Kamal, who suggested that the PLO would forego representation "as the PLO" in Geneva if an invitation were to be issued on the basis of the Joint U.S.-Soviet declaration on the Middle East at the UN last month.

There is no doubt that the U.S. has been putting some pressure on the Saudis, who, the Americans feel, could perhaps have done more to persuade the Syrians and the PLO to accept the terms of the Geneva talks. However, there is satisfaction here with the recent interview that Syrian President Assad gave The New York Times. He said that who represented the PLO at Geneva was much less important than the presence of the Palestinians' legitimate interests should be properly represented.

In the political arena, the Christian Democrats, Chile's biggest party, which generally opposes the 1977 constitution, is moving inexorably into active opposition to the junta and quietly building bridges with the more moderate elements of the late President Alessandri's Popular Unity—with the secret encouragement, it is being said, of the U.S. embassy.

As far as internal politics is concerned, Mr. Carter's arrival in Washington has given heart to General Pinochet's domestic opponents among politicians, church people and trade unions.

For the first time since 1973, the Chilean junta is plainly on the defensive against wide segments of the population at home. On repeated occasions the Catholic church has made clear its opposition to the policies being followed by the General. It is in church media in Mensaje, Solidaridad, the bulletin of the relief agency of the archbishopric of Santiago and on Radio Chilena, its commercial radio station, that the most telling criticisms of the government's policies are being made, and more trenchantly than at any time since 1973.

WORLD TRADE NEWS

Danes urge EEC action on subsidies to industry

BY HILARY BARNES

COPENHAGEN, Nov. 14

THE DANISH Government has drawn the attention of the EEC Commission, according to informed sources, to the threat of trade distortions arising from increasing State subsidies to industry both in other EEC countries and more particularly in Sweden and Norway, which are members of EFTA.

It is understood that the Danish Government intends to take up the question of Nordic subsidies next month at a meeting of Nordic Ministers. The EEC Commission is also said to be looking into the issue of Nordic subsidies.

Meanwhile, the Federation of Industries here plans to ask the EEC to impose retaliatory duties on Swedish chipboard as a result of dumping by the State-owned forest industries group ASSI. Mr. Finn Engsted, the Federation's director, told the Financial Times.

Foreign Minister K. B. Andersen said here today that the question of subsidies was one of the topics which Denmark would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Other sectors with subsidies would take a special interest in during Denmark's EEC chairmanship in the first half of next year. But Mr. Andersen declined to make any further comments on the subject, saying that he wished to be able to play the role of constructive mediator while holding the chairmanship.

Politically, Denmark lays great stress on maintaining good Nordic trade relations, not least now that Denmark is a member of the EEC while Norway and Sweden are not. The Government can therefore be expected to tread warily.

Mr. Breitenstein said that ASSE, which expects a Swedish Kr.3.0m. (about \$57m.) loss this year, received state subsidies to the tune of Kr.257m. (about \$50m.) in the first eight months of this year. This was a factor in enabling ASSE to cut chipboard prices by 20 per cent, which meant that the company is dumping.

Bowater U.S. to increase prices of newsprint

By Stewart Fleming

NEW YORK, Nov. 14

BOWATER CORPORATION'S U.S. subsidiary has announced that it intends to raise newsprint prices by \$20 a ton in February 1978.

The move has taken paper analysts by surprise in the face of the weak demand for paper products generally, including newsprint in this country. They are already openly questioning whether the increase will stick.

One analyst commented this morning that unless leading newsprint producers in eastern Canada follow the Bowater lead the increase will not hold. He pointed out that these companies are in general not operating at such high capacity utilization rates as their U.S. competitors which may make them reluctant to follow the Bowater increase.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

Analysts generally concede the higher prices are needed to offset narrowing profit margins. But it is widely felt that the paper companies may be able to push through increases until later next year. The last newsprint price increase was in March of this year when a \$10 a ton rise was initiated.

West German textile orders slide

By Guy Hawtin

FRANKFURT, Nov. 14

FIGURES for the first nine months of the year show that the West German textile industry is moving even more deeply into recession. Current mood in the industry starkly contrasts with cautious optimism of this time last year.

Orders during the first three quarters of 1977 are in cash terms 7 per cent lower than in the same period of 1976. However, this ignores the price increases that have taken place during the year, and the volume decline in bookings is put at 9 per cent.

Clothing manufacturers which are the clothing industry's largest customers, have reported a 5 per cent decline in the value of orders over the nine months, while volume orders were off by 8 per cent.

In comparison with the position at the end of September last year, producer price levels for textiles are up by an average 2.5 per cent. But at the same time the industry's price index (1970=100) has steadily gone down from 134.8 to 132.4.

Brussels officials deplored that the opening of the quartz crystal investigation was designed to keep the pressure on Japan, which is at odds with the EEC on a wide range of trade problems. The Commission, they said, was only reacting to complaints brought by European industry which had now, in the words of one official, declared "open season" on Japan. Three weeks ago the Commission started a dumping investigation on ball bearing housings from Japan.

The investigation on the dumping of quartz crystals has been brought by one company, Standard Elektrik Lorenz (SEL) of Stuttgart, an IIT subsidiary which accounts for 40 per cent of EEC quartz crystal production. But the case is formally supported by all other EEC quartz stations.

More generally, the magazine predicts: "The world coal market of the future may be regarded as divided generally into two hemispheres: the countries bordering the Pacific Ocean, and those bordering the Atlantic. Pacific rim countries (Canada, Australia, China, the USSR and others) are likely to compete for markets principally in Asia. The developed countries in Western Europe (and, to some extent, South America) are likely to import more coal from the United States, Poland, South Africa, India and the USSR."

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

Ballast-Nedam wins £1bn. Saudi contract

By Michael van Os

AMSTERDAM, Nov. 14

ONE OF Holland's leading building contractors, Ballast-Nedam has received a record F1.47bn (£1,470 million) contract from Saudi Arabia for the building of residential construction and infrastructure work. The contract will take 3 1/2 years to complete.

The Amstelveen-based company has not given any further details, nor named any subcontractors, but is planning a press briefing tomorrow for the benefit of local members from Saudi Arabia.

The company was in the group last month when a new group of Arab investors, through a company called Mifera Holding, acquired a stake of just over 10 per cent in its capital. It was the first publicly announced share repurchase in a Dutch company.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

Like other Dutch construction groups, Ballast-Nedam has a turnover outside Holland, with the emphasis on the Middle East.

World trade in coal declines

BY JOHN LLOYD

WORLD TRADE in coal was down last year, the first time the trade has shown a decline in the 70s. The total trade was 190m. tonnes, 4.5m. tonnes less than in 1975, and accounts for 7.7 per cent of estimated world production.

These figures, published in the November issue of World Coal, show that the coal trade continues to suffer from the deep recession in the basic steel industries, since most of the coal traded internationally is used for making metallurgical coke.

Most of the major coal exporting countries exported less. The U.S., the largest coal exporter, with 28.7 per cent of world coal exports, had a fall of 5.7m. tonnes, nearly 10 per cent down

on the previous year. Exports from West Germany and Australia were also down.

Only South Africa showed a dramatic rise, from 2.6m. tonnes in 1975 to 5.8m. tonnes in 1976. Poland—the world's second largest exporter—and the USSR made small gains.

The U.K. recorded the largest drop in percentage terms, from 2.2m. tonnes exported in 1975 to 1.4m. tonnes in 1976, a slide of 36.2 per cent.

Looking to the future, World Coal forecasts a recovery for coal demand by the metallurgical sector in the longer term, and a much shorter term stimulus in demand for steam coal as it increasingly becomes a serious alternative to oil in power stations.

More generally, the magazine predicts: "The world coal market of the future may be regarded as divided generally into two hemispheres: the countries bordering the Pacific Ocean, and those bordering the Atlantic. Pacific rim countries (Canada, Australia, China, the USSR and others) are likely to compete for markets principally in Asia. The developed countries in Western Europe (and, to some extent, South America) are likely to import more coal from the United States, Poland, South Africa, India and the USSR."

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

World Coal Trade by George Markon in World Coal, Miller Freeman Publications, November 1977.

Liberia joins sea safety pact

BY DAVID FREUD, INDUSTRIAL STAFF

LIBERIA YESTERDAY became the third major maritime country to ratify the 1974 convention on safety of life at sea.

Mr. Gerald Cooper, Liberia's Commissioner of Maritime Affairs, said the ratification was a further indication of the country's new drive to promote maritime safety.

Liberia joins the U.K. and Norway in ratifying the Inter-governmental Maritime Consultative Organisation convention, which completes the 50 per cent of the merchant fleet tonnage required for implementation. However, the additional target of 25 signatory countries is still some way off.

The Liberian quest for respectability follows the wreck of the Argos Merchant tanker, which was registered in Liberia—off Nantucket Island, Massachusetts, last December and the consequent U.S. reprimands against the use of flags of convenience.

Dr. William R. Tolbert Jr., president of Liberia, announced at the beginning of November that the country planned to eliminate completely all substandard shipping from its fleet.

Mr. Cooper, who revoked the Liberian licence of the master of the Argo Merchant three weeks ago, claimed that the proportion of substandard shipping had been reduced from 10 per cent at the beginning of the year to approaching 5 per cent now.

The Liberian fleet has expanded fast in the last four years, from a total gross tonnage of 45m. in 1973 to 78

HOME NEWS

Bowling U.S. to increase prices news

ICL loses Tesco order to IBM

BY MAX WILKINSON

INTERNATIONAL Business machines has defeated its British rival, International Computers, to win a £2m order from Tesco, the food chain. The decision comes as a big blow to ICL, which is the existing supplier of computing equipment to Tesco. Tesco's decision to switch to IBM was made after a detailed analysis of the systems that both companies offered to take the mainframe group into the next generation of computing. Mr. Donald Harris, director of ICL, said that one of the main reasons was IBM's mass storage system, which could provide immediately accessible data on 163m computer words "bytes"—the equivalent of 20m ordinary words. Tesco had faced a continual need to increase computer power as its systems moved further into automated ordering of goods, he said. Tesco is the U.K.'s largest supermarket group and handles more than 1m separate pieces of stock each day. One of the main reasons for the switch was the need to prevent this stock increasing. Discussions were first opened by seven computer manufacturers. These were reduced to a list of four and finally to two. The companies' proposals are based on IBM 3035 computers and dual IBM 3035s. At present Tesco operates ICL 19045 computers and ICL 2903. Mr. Harris praised the ICL proposal as a "very good" one. He said the decision to go to IBM had been difficult to make. ICL was not prepared to comment on the loss of the order yesterday.

Exports of cars up on imports

By Terry Dodsworth

THE BRITISH motor industry reaped a surplus of exports over imports of £1bn in the first nine months of this year. Mr. David Astor, president of the Society of Motor Manufacturers and Traders, said in Glasgow last night. Mr. Plastow, who was speaking at the Scottish Motor Show, said that although the industry had "sometimes had more disappointment than we" in the last year, it maintained a vital wealth-creator in Britain. "It is because of our industry's importance to the economy that the industry is paid to us by politicians, the media, and by motorists." In the first nine months of this year, car exports had risen by 10 per cent on last year to £583m. Exports of other motor products rose by 23 per cent to £2,200m, giving a total for the industry of £3bn.

Turnover for catering up 10%

Financial Times Reporter

THE CATERING industry and day camps are all beating the recession, according to figures listed yesterday by the Department of Trade. Catering turnover in the third quarter this year was up ten per cent over the same period last year, and up three per cent over the second quarter of this year. It is the first time since 1975 that figures for licensed hotels and holiday camps show a large percentage rise, going between 15 and 22 per cent on each quarter since mid-

Size of oil exports causes concern

BY KEVIN DONE

THE CONTINUING high level of oil exports is causing MPs concern. In the 12 months to the end of September, exports were some 12m tonnes, about 40 per cent of U.K. North Sea crude oil production, worth about £5bn. Oil exporting is attracting criticism because the level of exports is breaching the guidelines set down by the Government in December, 1974. This suggests that it would be reasonable to expect up to two-thirds of North Sea crude to be refined in Britain, but it is expected that exports will continue at the present level at least until the end of the year. Some 60 per cent of the oil exports have gone to other West European countries, with 10 per cent of sales going to Scandinavia and 30 per cent to the U.S. Total production in the period was 32m tonnes. In the same period the bill for imported crude oil was about £5bn.

Demand rising for new private houses

BY JOHN FREEMAN, PROPERTY CORRESPONDENT

REPORTERS FROM the House Builders Federation and the National Council of Building Material Producers confirm that demand for new private houses is rising, but that the supply of new housing is not matching that increase. In the words of Mr. John Dolphin, regional manager of the Leicester Building Society, in a separate review of the housing market, "all the ingredients are there for an active market in the spring." Opening a new branch office in Darford yesterday, Mr. Dolphin said that the Building Societies' Association said that the pace of house price increases is accelerating. "The strength of demand for housing in the private sector is underlined by the findings of the latest state of the inquiry published by the Housebuilders' Federation. The inquiry shows that over a third of member companies see an improvement in the market since the summer quarter. A year ago more than half the companies polled believed that conditions were deteriorating. The federation identifies three key factors still deterring potential buyers—the uncertain political climate, difficulty finding a deposit, and the problems of meeting the other immediate costs of house purchase. Lack of mortgage funds, seen as a serious limiting factor in earlier surveys, is no longer viewed as a problem. But the federation reports that "all the additional factors restricting the demand for housing, the most frequently quoted is probably the disadvantageous comparison between the market price for second-hand houses and the costs of building new houses."

Danish bid to replace bacon lost in sinking

BY CHRISTOPHER PARKES

DANISH carvers and exporters are rushing to produce and ship extra supplies of bacon to Britain to cover 1,000 tonnes lost at the week-end when the container ship M/V Hero foundered in the North Sea. The loss of this cargo, worth £1m, represents a quarter of a week's supply, according to importers' representatives in London. Although traders could not forecast the full effect of the sinking on prices, they said the shortage could not have come at a more critical time. Demand is increasing as Christmas approaches and prices are tending to increase anyway. Loss on such a scale seemed certain to have some impact. The Danish Bacon Co. said link processors were doing what they could to make up the shortage, although it would take more than a week to supply the extra 1,000 tonnes. But most serious is the shortage of shipping capacity which could hamper Danish exports for months to come. The loss of the ship, one of the four bacon transporters on the run from Denmark to Britain—is bound to upset seriously shipping schedules. Containers too are in short supply—100 were lost with the Hero—and British buyers have been asked to send back their empties "as quickly as possible." In the meantime, exporters are trying to set up an overland link.

Bread companies asked to discuss price rises

BY OUR CONSUMER AFFAIRS CORRESPONDENT

LEADERS of the big three baking companies are believed to have been asked to see Mr. Charles Williams, the chairman of the Price Commission, to discuss their proposed price increases. The commission does not have to decide for at least a week whether to investigate the proposed increases, which range from 21p a loaf to 5p. But in the meantime it seems to be trying to establish the facts through informal discussions. Yesterday, Mr. Jackson Moore, general secretary of the bread bakers' union, the United Bakers' Transport Union, met Mr. Roy Hattersley, the Prices Secretary. He apparently urged the Minister to intervene in the negotiations which were submitted to the commission ten days ago by the three big baking groups—Associated British Foods, Spillers and RHM. Mr. Jackson Moore, who had earlier met representatives of the Bakers' Federation, believes that the rises could be prevented if the companies could be persuaded to offer their customers such big trade discounts. He claims these discounts are now approaching 40 per cent. Yesterday, he predicted that if the present situation continued, the price of a loaf could rise to 40p next year.

Sales to foreign tourists may be falling away in London

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

SALES TO foreign tourists, the part of the retail trade which has been booming over the past year, now seem to be falling away in London. The West End department stores, which earlier in the year were showing increases of 40-50 per cent, now say they are finding it difficult to beat last year's takings, let alone increase volume of their business. Selfridge's, which has always been a magnet for tourists in London's Oxford Street, says that in the past few weeks volume has been well down on the same period last year. The House of Fraser in Stratford store also says it is difficult to meet autumn's volume sales. The week to November 5, John Lewis store in Oxford Street was only showing an ease of 4.9 per cent on the same week in 1976. The Partnership's West End store, notched a sales rise of 9.6 per cent, but this was slightly above the average for the Partnership's other stores, but still well below the inflation rate. The opening of the new Marks

Street store are reported to be up on the same period last year, but by nothing like as much as earlier in the year. According to one Debenhams director: "It looks as if the tourist boom has finally burst." The latest figures, however, have to be seen in the context of the exceptionally high demand from tourists last November. Twelve months ago, the tourist boom was at its height, with some stores showing gains of more than 70 per cent on the previous autumn. Then, the pound was extremely weak, and tourists were being flown in on special week-end shopping trips. The Silver Jubilee helped to maintain this increase until the summer, and sales in some London stores were about 50 per cent up on August of the previous year. But since August, the stores have generally been showing much smaller year-on-year gains. Traders blame this partly on the air traffic control assistants' dispute—the start of which coincided with the start of the Muslim Ramadan; and partly on the strengthening of the pound. The opening of the new Marks

Call for funds to follow up science ideas

Parliament, Page 12

BRITAIN IS failing to provide enough funds to translate university ideas into practical schemes, a leading academic claimed at the week-end. Professor George Burnett, Vice-Chancellor of Heriot-Watt University, Edinburgh, said universities were partly to blame for failing to promote contacts with industry. Speaking at Aberdeen, he said that through research councils and Government agencies, an adequate "but no more than adequate" flow of funds was granted for research. By comparison with the U.S., British industry had been handicapped by fiscal policies which "militated severely" against the ready availability of the money required. He wanted a measure of interchange of staff between universities and other similar institutions, and industrial concerns.

PICKET LINES BROKEN TO DEAL WITH EMERGENCIES

Cities face brunt of firemen's strike as rural part-timers work normally

BY FINANCIAL TIMES REPORTERS

THE CITIES were in the front line of Britain's first firemen's strike yesterday. More than 100 uniformed pickets gathered outside the London Fire Brigade headquarters in Lambeth within minutes of the strike starting at 9 a.m. About 100 firemen also manned a picket line outside the Bristol central fire station. In Cornwall, however, the fire service, which relies heavily on part-timers, could operate almost as normal. Mr. Gordon Newton, assistant general secretary of Britain's 4,000-strong Retained Firefighters' Union, said yesterday that his members had been instructed to work as usual. In Devon some of the county's 480 firemen also ignored the strike call, including Mr. Barry Stuart, Devon area secretary of the Fire Brigades Union, who was then suspended from the union. Firemen from East London also defied the strike call to attend a fire in a housing estate in Deptford. Brigade officials, who refused to name the station involved, said that the men broke picket lines to put out a fire in a rubbish chute on the Samuel Pepys Estate. Three or four London fire stations were working normally, but their locations were kept secret yesterday to avoid mass picketing. A bungalow was destroyed as troops fought a sudden battle with flames. Firemen on picket duty at Abingdon, Oxfordshire, also defied the strike call to save their pub, the Cross Keys, which stands about 10 yards from a fire station. As smoke and flames poured from a bedroom window, the firemen raised the alarm and helped troops when they arrived with their Green Goddess tender to run a hose pipe upstairs. In Northern Ireland, incendiary devices were found in two shops, increasing fears that IRA terrorists would seize the opportunity offered by the firemen's strike to launch a big bombing campaign. Devices were also found in shops in Downpatrick and Coleraine and shopkeepers brought in extra fire watchers in Belfast and Londonderry, because of fears that bombs concealed during the day might explode at night. Ulster shopkeepers were last night operating street-by-street "vigilante" groups in a co-operative effort to spot fire bombs within minutes of exploding. The likelihood of the Provisionals exploiting the strike emergency is resulting in text book observance of the anti-bombing procedures that the Royal Ulster Constabulary has been urging for several months. Since August, when the Provos began widespread use of cassette-type incendiary bombs 400 of these easily concealed devices exploded causing fire damage worth more than £20m. Of late, the RUC has been insisting that precautionary measures such as more careful searching of shops after business hours and greater use of night watchmen would effectively counter the incendiarists' campaign. Now that Ulster faces a fire bombing crisis these steps are suddenly being taken. As the Fire Brigades Union claimed 100 per cent support for the strike in the province, Northern Ireland's 800 retained firemen decided to turn out for fires in their own area, but not to answer calls in the cities. In the Glasgow area an army unit was called out to fight a blaze in a paper factory at East Kilbride. Four army fire engines



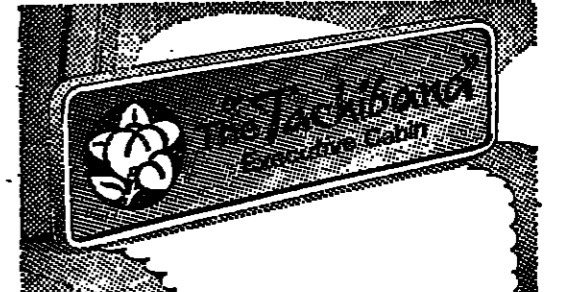
Picket duty outside London fire brigade headquarters, Lambeth.

and 25 soldiers pumped thousands of gallons of water through the factory windows, advised by a senior fire officer. A fire also broke out in a box factory in the city and, amid concern that a man might have died, three firemen broke the picket line to help. One of the firemen said later: "We cannot stand by and let people die." Seven firemen defied the strike

Our superb inflight service. Something you'll hardly notice but always remember.



Another aspect of our special way of caring you'll be glad to discover is the JAL Executive Service, the first and still the most comprehensive package of business aids for the executive visiting Japan. Before you go, it will help you do your homework on the Japanese business scene. On the way, the Tachibana Executive Cabin is also



part of JAL's service. A quieter area, just right for the businessman, right next to First Class on many 747 flights on the Polar route. And when you get there, the Executive Service can provide bilingual secretaries, chauffeurs, guides, a Tokyo office suite and much, much more. With all this, 22 flights a week and JAL's incomparable in-flight service, it's no wonder that more Europeans fly JAL to Japan than any other airline.

Like the service in the world's great hotels and restaurants, JAL's service is as unobtrusive as it's efficient. Never pushy but always there. Quiet, quick and courteous. The clue to it all lies in our language. The Japanese word for passenger is literally 'honoured guest'. And you'll discover we're true to our word when you fly JAL. When you refresh yourself with hot *ashibori* towels, sip a little green tea or splash out with champagne. When you sample exquisite Japanese delicacies or feast on fine European cuisine. And when you sit back, close your eyes and find that a pillow has magically appeared.

We never forget how important you are.



Find out more by contacting the Executive Service Secretary at your nearest JAL office or mail this coupon today. To: Japan Air Lines, 8 Hanover Street, London W1R 0DR. Name _____ Position _____ Company _____ Address _____



HOME NEWS

Textile retailers seek new deal for easier imports

BY RHYTS DAVID, TEXTILES CORRESPONDENT

BRITAIN'S big textile retailers are asking the Government for a new deal on imports under which they would make more information available on their future intentions in return for greater freedom to make long-term overseas supply arrangements.

The proposal is that the surveillance licensing system under which importers apply for licences to cover goods about to be shipped should be replaced by a new arrangement. Under this, in return for automatic import clearance, the retailers would lose their long-term contracts with the Department of Trade, together with the complete schedule of goods to be imported over the life of the agreement.

The Government and the industry, through knowledge of the contracts placed by retailers, would have information on products which retailers now feel have to be bought overseas. The information, Mr. Richard Weir, director of the consortium, points out, could be fed into the new textiles pipeline survey which has recently started operation.

The survey conducted once every three months by the National Economic Development Organisation and the Confederation of British Industry brings together information about levels of activity at different stages in the pipeline from raw material to finished goods. It is backed by a group of 28 leading retailers representing some 70 per cent of all textile sales.

The big importing wholesalers, represented by the British Importers Confederation, have already pointed to the difficulties which continued uncertainty is causing, but the retailers—who include most of the big high street names—have been stressing that their position is even more serious.

Whereas the importing houses are largely speculative purchasers of goods, some of the retail groups have factory space committed to them in the Far East and elsewhere. Under the new system put forward by the retailers, which will be discussed to-day at a meeting of the Retail Consortium's policy committee, the big groups would be free to enter into long-term arrangements with their suppliers in advance of quotas being set.

At the same time the system would give the Government extra information on which to base decisions on how quotas should be varied from year to year. Retailers argue that at present decisions on quotas are being taken without consideration of one of the most important factors—the likely demand in the shops as seen by storekeepers, for imported goods.

Under the scheme, the quota system would remain, but would be largely shaped by the contracts which retailers had entered into. The full quota each year would have to consist of retailers' requirements plus a further proportion added on to meet the needs of other importers.

Polypropylene exports up 20%

BY OUR TEXTILES CORRESPONDENT

PRODUCTION of woven polypropylene fabric, one of the fastest-growing textile areas in recent years, has fallen for the first time this year, the British Polypropylene Textiles Association reports.

The drop in production is attributed to the difficulties of the carpet industry, which uses large quantities of polypropylene as carpet backing; conditions in general industrial end-uses for polypropylene materials; and in industry, largely based in and around Dundee and the North-

East of England, is expecting a more buoyant market overall in 1978. The drop in production is attributed to the difficulties of the carpet industry, which uses large quantities of polypropylene as carpet backing; conditions in general industrial end-uses for polypropylene materials; and in industry, largely based in and around Dundee and the North-

Guide on homeless law for councils

BY MICHAEL CASSELL

LEGISLATION which will make local authorities play a bigger role in helping the homeless comes into effect in just over two weeks. This week, the Government will be advising the authorities of their obligations under the Housing (Homeless Persons) Act, 1977 and providing guidance on how it should be implemented.

The Act aims to replace the limited duties of social services authorities to provide temporary accommodation for people in urgent need with an obligation on the part of local housing authorities under some circumstances to provide permanent housing to the homeless.

In a statement (timed to accompany the release of the guidance notes to local authorities, Mr. Ernest Armstrong, Parliamentary Under-Secretary of State, Department of the Environment, said yesterday that the Act broke new ground in social and housing policy.

For the first time, he said, legislation specifically designed to help homeless people and to provide that help as an integral part of authorities' housing responsibilities. There can be no single solution to the problem of homelessness, it is therefore important for each local authority to develop a sympathetic and sensitive approach to the homeless people who come to them.

The Act requires an authority to make inquiries to satisfy itself whether an applicant is homeless and in priority need and, if so, whether he or she became homeless or was threatened with homelessness intentionally.

The Act states that where the housing authority is satisfied that an applicant is homeless and in priority need, it is to secure accommodation. As a last resort, the authority may arrange for short-term accommodation in lodgings, guest houses or hotels.

The Association of District Councils comments that although there is sensible advice in the guidance code, it did not consider authorities needed such detailed guidance. Councilor Frank Bushell said: "Difficult decisions, especially in the case of the intentionally homeless, are likely to be taken by authorities on individual cases in the light of particular circumstances."

But he warned: "It is completely unrealistic to expect authorities to break new ground in the case of housing policy without any extra financial resources. We shall be monitoring extra costs attributable to the Act and will expect central government to cover them in future subsidy settlements."

Mr. B. Hildrew, managing director of Lloyd's Register, said yesterday: "The combined capabilities of the five partner organisations will give the world shipping community instant access to data files on all commercial ships of the world."

The original data base for the service has been provided by Maritime Management Systems, augmented by information from Lloyd's Register of Shipping, Rotterdam and Fairfield, which has close ties with the Far Eastern shipping market.

Mr. B. Hildrew, managing director of Lloyd's Register, said yesterday: "The combined capabilities of the five partner organisations will give the world shipping community instant access to data files on all commercial ships of the world."

Engineering workers try to boost minimum rates

BY ALAN PIKE, LABOUR CORRESPONDENT

THE AMALGAMATED Union of Engineering Workers' national committee yesterday decided to seek big increases in the industry's minimum pay rates and a raft of other benefits including a 35-hour week.

In addition, the industry's two-tier bargaining structure ensures that actual earnings of most workers are determined at plant level and these benefit from national increases only through improved overtime and premium payments.

The decision by Mr. Hugh Scanlon, AUEW president and the engineering section executive to support the 12-month rule at the TUC annual congress in September—a source of bitter argument at the time—was endorsed yesterday by 27 votes to 24.

At the upper limit of the new structure, for example, some technical plumbers now earning £54.50 for 40 hours on the old scale could be earning £76.60 on the new basic pay.

Special allowances, including those for daily travel, working in abnormal conditions, and lodging, have also been included. On top of that, he said, the grading structure which divides each of the three main categories of plumber into a further three grades.

The new grading is linked to improved productivity, although it is not clear whether the regrading package has been costed by the industry. Union officials were suggesting yesterday that it should be possible to have almost all plumbers covered by the agreed higher rates within the next six months.

Some plumbers given 40% rises under regrading

BY NICK GARNETT, LABOUR STAFF

A PAY settlement for 30,000 plumbers has been agreed which includes a regrading structure that eventually could give some workers rises of almost 40 per cent.

The deal, which has been examined by the Department of Employment, involves consolidation of pay policy supplements together with a 9 per cent increase on the new basic pay.

Employers stressed yesterday that the numbers who might be entitled under regrading to the highest grade of technical plumber would be small. The Electric and Plumbing Trades Union, which most of the men belong, said much of the regrading could be done simply by plumbers stating what their present jobs were.

EPTU moves to seek end of wage restraint

BY OUR LABOUR EDITOR

THE SQUEEZE on craftsmen's differentials under incomes policies has prompted many branches of the Electrical and Plumbing Trades Union to call for the end of all wage restraint.

Two branches ask for ballot of the membership. Kellogg's has support from national executive to ally with the TUC on wage restraint. The conference will debate number of rule changes later in the week. The executive plan changes to increase internal democracy.

Interest rates 'may go up'

By Michael Blanden

INTEREST RATES may rise as the price for keeping within the official money supply target, says the latest analysis published by the Henley Centre for Forecasting.

Terminal Four may be final extension of Heathrow

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BRITISH Airports Authority intends to press ahead with its plans to build a fourth main passenger terminal at Heathrow Airport. But the authority believes that a fifth terminal is unlikely to be built for environmental reasons.

By 1990, about 80m. passengers a year, are expected to be passing through South-East England's airports, but Heathrow, Gatwick, Stansted, and Luton will be capable of handling only 50m. by the mid-1980s.

seriously doubt the validity of this extension. "It seems probable, therefore, that the ultimate capacity at Heathrow with Terminal Four will be about the 40m. passenger a year level. Further growth of air transport in the London area will have to be accommodated elsewhere."

Visible trade account shows £233m. surplus after deficit

Table with columns: Exports, Imports, Terms of trade, Oil balance. Rows for 1976 and 1977 quarterly data.

THE VISIBLE trade account in the last three months has shown a surplus of £233m., compared with a deficit of £819m. in the previous quarter.

However, about £640m. of the improvement is the result of the more erratic elements in trade, in particular the purchase of North Sea oil rigs in the earlier period of the summer.

The impact of the build-up of North Sea oil production can, however, be seen in a 57m. reduction in the deficit on oil trade on a three-month comparison.

More concrete deals put on restrictive register

By Our Consumer Affairs Correspondent

ANOTHER 12 previously unregistered restrictive practices in the ready-mixed concrete industry were placed on the Register of Restrictive Practices yesterday by Mr. Gordon Borrie, the director general of Fair Trading.

The parties to the agreements registered yesterday again include some of the biggest names in the concrete industry, such as Amey Roadstone and Ready Mixed Concrete.

The director general's actions follows revelations earlier in the year about the way the companies' regional divisions had got together in various parts of the country to allocate contracts between them on a local level.

More jobs in Durham plan. ELECTROLUX, the Swedish-based international electrical goods manufacturer, is to spend £5.5m. on extensions to its Newt Aycliffe factory in County Durham.

At the upper limit of the new structure, for example, some technical plumbers now earning £54.50 for 40 hours on the old scale could be earning £76.60 on the new basic pay.

Special allowances, including those for daily travel, working in abnormal conditions, and lodging, have also been included. On top of that, he said, the grading structure which divides each of the three main categories of plumber into a further three grades.

Unions lobby MPs on cuts

BY OUR LABOUR STAFF

A WIDESPREAD lobby of all London's 92 MPs is to take place this week as trade union leaders representing public sector workers step up their campaign against public expenditure cuts.

The Association of District Councils comments that although there is sensible advice in the guidance code, it did not consider authorities needed such detailed guidance. Councilor Frank Bushell said: "Difficult decisions, especially in the case of the intentionally homeless, are likely to be taken by authorities on individual cases in the light of particular circumstances."

Delegates from ten trade unions will visit their local MPs to urge their opposition to current policies involving cuts. Among the unions leading the campaign is the National Union of Public Employees which, at the week-end, unanimously rejected a 10 per cent. earnings increase for about 1m. local authority manual workers.

Pension funds 'too vital to be left to managers'

BY ERIC SHORT

THE PROBLEMS of pension scheme funding and the relationship of such funding to overall national investment was too important and too serious merely to be left to expert investment managers, Mr. K. R. Thomas, general secretary of the Civil and Public Services Association, said yesterday in his address to the autumn conference of the National Association of Pension Funds in London.

What was required was some form of institutional entrepreneurship. Pension fund managers, he said, tended to minimise risk by investing in established trends and markets and sticking to well-tried companies with proven performance. There were two issues of paramount importance in future pension fund investments. One was the need to set up an institution which would be responsible for collecting monies from pension funds and investing in a more entrepreneurial fashion. The other was the need to compensate pension funds for the possible immediate lower rate of return on such investments.

Education cuts must end, says NUT leader

By Our Labour Correspondent

ANNOUNCEMENT of the 1978-79 support grant settlement on Friday must signal the end of the Government's cash limit policy as the TUC has demanded Mr. Fred Jarvis, general secretary of the National Union of Teachers, said yesterday. "I absolutely refuse to accept the education services," Mr. Jarvis said that the provision for education in the settlement would determine "whether we are to witness further cuts and a decline in standards which the nation cannot afford to see the path of advance and better provision."

Escort output hit again

ALL ESCORT car production was at a standstill yesterday at a plant in Halewood, Liverpool, when the day shift which had been recalled was sent home again at lunchtime without the assembly lines having started.

But the painters walked out again, and 3,500 hourly-paid workers were sent home from the assembly and body stamping plants leaving only 500 working in the press shop.

TYRE PRODUCTION re-started at the Goodyear factory in Wolverhampton yesterday after being brought to a standstill by a walk-out by 370 workers. About 3,000 workers laid off called back to their jobs. The 270 men decided to strike over a pay dispute but they voted to return to work at peace talks.

Arbuthnot Latham INTERIM REPORT. The unaudited profits for the Group for the half year ended 30th September 1977 show an increase, and an interim dividend of 3.85p per ordinary share (1976 3.5p) has been declared and will be paid on 30th December 1977.





There's a black and white case for settling in Skelmersdale

It's not just that the grass looks greener in Skelmersdale. It is. The dairy herds come almost up to the factory doors (like the motorways). Three National Parks are easy to reach. As for the factories, the financial assistance, the labour and the communications, that's another field where we've got something extra to offer.

Call us.



Skelmersdale New Town
The experienced one

Skelmersdale Development Corporation
Pennylands, Skelmersdale
Lancashire WN8 8AR
Telephone: Skelmersdale 24242
STD Code (0695) Telex: 628259

CBI at BRIGHTON

Methven deplures disruption

DISRUPTIVE industrial action by certain groups of workers in support of large wage claims was deplored by Mr. John Methven, CBI Director-General, in his introductory address to the conference.

Mr. Methven, in an obvious reference to the ironworkers' strike and the recent power workers dispute, told conference delegates that "day after day we are being subjected to disruptive industrial action of a magnitude and seriousness of which a sophisticated society like ours should be ashamed."

Many employers, he added, "were fiercely resisting totally unreasonable wage demands" but the cost was a dramatic increase in the last three months in strike and industrial disputes. He pointed out that many CBI members were not attending the conference because of the problem of wage demands and strikes.

that "at least we know that in putting up this fight for moderation we have the overwhelming support not only of the public but of millions of decent responsible working people who now believe, as strongly as we do, in the need to conquer inflation."

Winning

He also stressed that in no way was the CBI anti-union in its outlook. "Somehow, quite wrongly, unions seem to have cornered the market as far as 'caring for the workers' is concerned." But they are not the only ones, he added, emphasising that employers had the interest of the workforce at heart. "But all the same, there's a lot to be said for bobbing up every now and again and saying how good you are, and what a lot you're doing to help other people."

"businessmen are out working — winning orders, negotiating contracts, persuading others to buy British, creating jobs—the 1m. new jobs which we believe can be created over the next four years."

"But we ought to remember to hush up now and again to remind people that there's more than one way of caring for the community. And if people here this hall were to stop doing it their way."

Mr. Methven added: "The CBI represents the workforce of this country—regardless of whether individuals are trade union members or not."

He also stressed that the CBI was not against a Labour government. "If any government comes up with a policy which seems to us to be good for British business, they will have our wholehearted support. We are, for instance, with government in the difficult task of achieving moderation in

both pay claims and settlements."

The importance of the conference—the first held by the CBI—was also made clear by Mr. Methven. "We are here to show that the policies we propose, the policies we will hammer out at this conference, are the only ones which will lead to real and lasting prosperity for us all—a goal that has eluded us for the last 30 years."

Prosperous

"We have to make the nation understand that unless business is prosperous Britain cannot be, and that business is truly the mainspring of our society."

He added: "Our voice must be loud enough and firm enough to get people listening and faith to follow us. We must show that we will fight for what we believe to be right."



Mr. Michael Edwards, chairman of British Leyland, left in conversation with Sir Emmanuel Kaye, chairman of Lancing Bagnall, at the opening day of the CBI conference yesterday.

Parity call on tax rates

SOMETHING Approaching a grassroots revolt over top marginal tax rates in the second debate forced the platform to under-take a "reconsider" vote of its proposals at next week's council meeting.

Several speakers from the floor argued that the recommendation in Resolution 2, to reduce the top tax rate to 60 per cent, was inadequate. The figure should be lowered further to 50 per cent, Lord Watkinson promised the lower figure would be considered at the council meeting, after which the resolution was carried unanimously.

The resolution, formally adopted chapters 3 and 7 of the CBI document Britain Means Business 1977. These outlined a programme of taxation cuts and called for a stable business climate to provide management with the incentives and confidence to lead the way through greater efficiency and productivity, to increase profitability and investment.

Sir Adrian Cadbury, chairman of Cadbury Schweppes, proposing, said the proposals aimed to enable the U.K. to compete internationally on equal terms. "They would give us much comparability with our EEC competitors, so we are asking for not privilege but parity."

Opposite

"Our present structure of control and fiscal measures might have been framed to achieve the precise opposite to what is needed," he argued.

At present "absurd marginal rates of tax discourage investment and encourage earnings concentration on the side. "Price controls subsidise consumption now at the expense of the investment for the future. Dividend controls immobilise the resources available for investment during a period of rapid, technical and economic change."

CBI conference reports by David Churchill and David Freud

The combination of tax and controls had reduced the contribution to employment and to the country's wealth from small businesses to levels well below those of the U.S., Germany and France.

Sir Adrian said: "The real importance of these proposals is to our successors. What we must have is a pattern of incentives which encourages able young people to take on jobs of real responsibility or to found new enterprises in Britain rather than abroad."

"We should resist protectionist solutions to our industrial problems, because it represents a withdrawal from the reality of the market place and a freezing of the present industrial structure, which would be increasingly out of date and increasingly controlled."

Mr. Michael Edwards, chairman of British Leyland, said that reducing the top rate of taxation to 60 per cent was the little, top rate.

"However, one goes in the world there are British managers and experts working for our competitors. We must need our heads reared to encourage this by fiscal policy."

"The men are still leaving. They are leaving in their thousands. And it's not for the challenge, it's because of the after-tax pay in the country. The men who make things happen are the very ones who are eagerly sought after by our competitors."

"I therefore call for a reduction in the top rate of tax to 50 per cent by 1979/80 at the very latest."

Mr. Alf Gooding, chairman of the Gooding group, pointed out that with 98 per cent taxation on unearned income it cost him £15 to buy a drink at lunchtime. "It costs me £250 for my wife to have her hair done and £25,000 worth of gear on."

Mr. Peter Bailey of Peck (Holding) said that tax rates in the U.K. were the highest of any developed nation in the world. A reduction on the top rate of tax on both earned and unearned income would "ensure that this country becomes an attractive place for the talented."

Sir Adrian Kaye, of Lancing Bagnall, said that the total cost to the Treasury of a reduction in top tax marginal rates to 50 per cent was estimated at only £25m a year.

Mr. David Freud, financial director of Garton Sons, said British industry was trapped in a vicious circle of low productivity, leading to low growth which in turn led to even lower productivity.

Other speakers were Mr. John Landman of Stone Platt Industries, Mr. D. Ayres of Advance Tapes, G.W. Mrs. S. N. W. Carnahan of the Country Landowners' Association, Mr. Aubrey Bide of Glaxo Holdings, Mr. E. F. Nixon of IBM U.K. and Mr. Richard Reeves of BICC General Cable.

They photograph CBI presidents don't they?

THEY WERE supposed to shoot Lord Watkinson at 8.45 this morning. But not one photographer turned up. An ominous sign indeed for what many of us feel is above all, an exercise in public relations by the CBI.

Eventually one photographer did arrive and as Lord Watkinson wended his way catless in the blustery wind, through the rush-hour traffic so that he could have his picture taken standing, chin up, looking out at the waves of the English Channel one irreverent delegate said "The things we have to put up with for publicity."

Discernible

Not that every delegate here understands what is supposed to be happening. "What is the point," asked one. "There has been no discernible method of choosing delegates or the resolutions. And the resolutions don't say anything anyway. The whole theme must be for the media."

Well, if it is true that the CBI hierarchy carefully orchestrated the whole affair, carefully vetting both resolutions and speakers, they might have concentrated on introducing more cut-and-thrust and conflict for an occasion like this demands some razzamataz if it is to avoid becoming one big yawn.

To start with, although the facilities at the New Brighton conference centre are excellent, the aircraft hangar proportions and atmosphere of the main hall played their part in the failure of the conference so far to generate much excitement.

The delegates themselves — or "management workers" as one resolution described them — are mainly male, middle-class, middle-aged and pretty middle. They saw speakers in triplicate — once in person and on giant TV screens alongside the platform, twice as large as life.

Most of the speakers, who were restricted to five minutes each, had written their speeches beforehand and talked about their own hobby-horse subjects so that the effect was rather like listening to a play where the actors restrict themselves to monologues rather than talking among themselves.

Within the first hour, for example, we had been lectured about the problems of the footwear and the textile industries and the British farmers as well as the importance of overseas investment and the financial sector of the CBI. In one way this reflected the problems CBI officials must have encountered in trying to encompass such a

wide variety of interests in the resolutions selected. One of the few real sparks of enthusiasm was generated by Mr. Alf Gooding (no relation) whose Welsh eloquence stood out in strong contrast against the uniformly cultured accents we heard from the rostrum most of the time.

He provided a lesson to all those delegates before and after who gave us strings of indigestible statistics by putting his point in understandable and human terms. As Mr. Gooding pays 98 per cent of his earnings in that before tax, a pint of beer cost him £15, his wife's "hair-do" £250, and his clothes £10,000.

New ideas too were far outnumbered by platitudes. One exception was provided by Mr.

With 98 per cent of earnings going in tax "a lunch-time pint of beer costs me £15; my wife's hair-do £250, and my clothes £10,000." — The human understandable point of view from Welshman, Mr. Alf Gooding.

B. J. Duncan of Peabody Holmes, who suggested that there should be cash refunds from the taxman to encourage those over 60s to retire early, thus cutting 1m. people from the unemployed list.

Sparkle

The CBI must hope for better tomorrow although there was a little more sparkle after the delegates had finished off their heads (including wine hunches). Particularly good value was Mrs. Nora Potter, director general of the Federation of Sussex Industries, who produced an impressive survey of the kind of bureaucratic gibberish business have to put up with in documents from government departments.

The aim remains, of course, to maximize publicity for the "management workers." So as one CBI official remarked last night "We must keep our fingers crossed that the first union's strike doesn't cause too much interest." The debate on pay and pay differentials produced just enough heat to give us an idea of what this conference might have achieved.

KENNETH GOODING

In a wide ranging debate on removing Government controls on industry, the conference made clear its opposition to devolution on purely practical, business grounds.

Delegates also attacked the rooms of government "bureaucrats" which affects small businesses especially.

The resolution was proposed by Mr. G. T. Holdsworth, of Guest Keen and Nettlefolds, who asserted that a free market economy is essential to national prosperity and the preservation of free society.

Mr. Holdsworth said that this basic truth was so self-evident, he defended on every occasion.

Succeeded "The free market economy has not failed nor is it finished as some would have us believe. As a generator of wealth for millions, it has succeeded as no other system has."

It has set the standard of material prosperity which all other countries — they under-developed — developing or totalitarian — strive to emulate. He pointed out that the vast majority of people in this country enjoyed a comparative prosperity which only the rich could have afforded 30 years ago.

Lord Watkinson's promise on economic strategy

Two resolutions one urging moderation in pay increases, and the other calling on the Government to use the opportunities provided by North Sea oil to provide business with the means to achieve lasting prosperity, were both carried overwhelmingly on a show of hands by the conference.

Lord Watkinson, CBI president, promised delegates that the resolutions, covering the future of the British economy, would be pursued with the Government as part of the CBI overall strategy for dealing with Britain's economic problems.

The vote, the first one taken at the conference, came after Mr. Ray Pennock, from Imperial Chemical Industries, had warned that unless the battle against excessive wage rises was won, the prospect of an economic "dawn" would be a false one. "If large wage rises and 'shadily-defined' productivity deals were allowed, then 'next summer will see a crippling return in inflation levels of the past few years'."

Crucial

The first resolution, a special one, was put forward at a meeting of the CBI President's Committee on Sunday. It recognised "that the fight against inflation is the crucial battle—a battle not yet won. Pay, which is a major part of this battle, has now reached a critical stage. This conference therefore urges government, employers, and the trade union movement to strive for moderation in pay increases."

The main resolution, proposed by Mr. H. B. Greenborough, CBI deputy president, expressed confidence that Britain, in spite of its current economic problems, "can achieve steady growth, reduce unemployment, provide rising living standards, and carry its way in the world again."

The Government was urged to give priority to reducing inflation, and to use the opportunities provided by North Sea oil and a favourable balance of payments to provide business

with the means to achieve lasting prosperity, on the basis of the CBI strategy as set out in its document, "Britain Means Business, 1977."

Mr. Greenborough, proposing the resolution, listed three main priorities: reducing inflation, increasing employment, and regaining Britain's place as one of the great trading nations. But he stressed that the first priority was beating inflation. "If we fail this, there can be no steady lasting growth in output or employment."

To combat inflation, he said, required a combination of sensible fiscal and monetary policies, and "pay moderation within the limits the nation can truly afford."

The target was inflation no higher, at least, than that of the best of Britain's main manufacturing competitors. But he warned that, even with the advantages of North Sea oil, the country could not afford to relax.

"North Sea oil revenue must be used with statesmanlike wisdom," he said. "We must use it not for a public expenditure spree, but to reduce the extraordinarily high level of personal taxation which is stilling initiative and enterprise."

Unemployment was also increased. "People will be prepared to work better when they are allowed to keep more of the money they earn."

Consistent

Only when inflation was reduced would the problem of unemployment be tackled. "If we seize our present opportunity, our economy could grow at an annual rate of 4 per cent, over the next four years. One million new jobs is an aim quite consistent with sustained 4 per cent growth. It is of course totally inconsistent with failure to beat inflation."

Mr. Greenborough stressed the need to transform people's attitudes to achieve these goals. "Above all else, we need national self-discipline to prevent

sectional interests seeking benefits at the expense of others. We desperately need the entire nation to become a Confederation of British Enterprise."

During the debate, a number of speakers raised the problems facing particular industries. Mr. M. O. Seiden of the British Footwear Manufacturing Federation, said there was no alternative but the imposition of selective controls to importers from those few countries which were disrupting the U.K. clothing, footwear, and textile industries by unloading cheap goods on our market.

Mr. J. D. Nightingale of the British Textile Employers Association, also outlined the specific problems of the textile industry.

Sir Henry Plumb, of the National Farmers Union, called on the Government to take action to implement the financial and taxation policies required to re-establish confidence and to give farmers the opportunity to secure the extra resources required for investment and expansion.

Effective

Mr. B. J. Duncan of Peabody Holmes said that a simple but effective solution to the unemployment problem would be the requirement at 60, with the 15m. jobs saved given to young unemployed.

Mr. R. E. Unger of British Aluminium, and Mr. R. Halstead of Bostham Products, both spoke on the problems caused by price controls.

Other speakers during the debate included: Mr. A. Grant of the Westminster Chamber of Commerce, Mr. R. Lloyd of Williams and Glyn's Bank, Sir George Burton of Fisons, Sir Michael Clapham of Imperial Metal Industries, Dr. G. Chambers of the Northern Ireland Milk Marketing Board, and Mr. J. Marks of Trebor Sharps.

Summing up, Mr. Pennock described British unemployment as "the scourge and the shame of the Western world." Such measures as job creation schemes were "at best a palliative and at worst a cruel deception."

Mr. Holdsworth warned: "We must call a halt to the growth of the State machine. We must strive for fair competition between the public and private sectors."

The issue of devolution raised strong feelings from speakers. Dr. William Macfarlane, of Matrix Engineering, and Mr. David Nickson of William Collins and Sons, attacked the devolution Bills as being totally irrelevant to the needs of the industry.

Mr. Nickson added that devolution was the beginning of the "slippery slope to the reversal of the Act of Union."

Nonsense

Lord Watkinson, CBI president, told the conference that existing CBI policy on devolution was "total industrial nonsense."

Mr. Dennis Cross, from Hambros Bank, called on the CBI to withdraw from all official bodies responsible for intervention in industry.

Mr. F. Lyne, of A. M. and S. Europe sought a CBI campaign to explain to the public how industry created wealth.

Mrs. Nora Potter, director general of the Federation of Sussex Industries, made an amusing speech to the conference which she pointed out some inconsistencies in the masses of paper work sent to small companies. She appealed to politicians to get off the backs of the small business.

Present system of pay bargaining a 'total failure'

Mr. John Methven, calling for a new system of pay bargaining, clearly in balance for both sides said: "If we are honest with ourselves, we know that the present system is a total failure. It hasn't increased real living standards as fast as our competitors; it hasn't helped make industry more professional and it has done nothing to solve unemployment."

Mr. Peter Edwards, chairman of the Yorkshire and Humbers Regional Council, said: "Our management to-day is getting more professional and efficient than ever before. Yet despite all this, our industrial performance is lousy."

He proposed the acceptance of Resolution 4, for the pay recommendations contained in Chapter 9 of "Britain Means Business, 1977."

The present system had led to consistently high inflation, lost production, industrial disruption, and all those factors which made it well-nigh impossible to compete in the world's marketplace.

Understanding

There were four things that needed to be done: 1—There needs to be wider public understanding of the facts of economic life. Perhaps we need a new mechanism to produce and publicise a better, more widely accepted, analysis of the situation. What we do not want is norms. We do not want to create platforms on which ever-increasing pay settlements may be built.

2—Government has a major responsibility, both as manager of the economy and as employer. It must keep control of money supply, have a sensible taxation policy and keep down the level of public expenditure. It must also recognise and respond to the need for making and influencing pay deals at levels the nation at large and private sector companies, in particular, can afford.

3—Some hard work needs to be done on what might be called the nuts and bolts of pay bargaining. Larger bargaining units will not suit everyone, but fragmentation can be a nightmare. Compression of the pay round could hardly fail to improve the situation—though to bring it about would cause real problems for some.

4—There is no question but that the various methods of income support for strikers need to be reviewed. But there is little doubt in my mind that the solution for the main part lies with ourselves.

"Unpalatable though it may be, the fact remains that in other West European countries, where employers are every bit as competitive as we are, they are prepared to give up some of their individual freedom in the interests of greater solidarity."

Framework

Mr. Methven emphasised that he was talking about a radical change of the framework within which bargaining took place.

"We must not duck this issue, and pretend that what we are suggesting is just minor tinkering around the edges."

However, he said he had some sympathy with the doubts expressed. "Free collective bargaining can only operate effectively when the powers of em-

ployers and unions are sufficiently in balance for both sides to feel an equal need to compromise in achieving settlements."

Mr. Peter Edwards, chairman of the Yorkshire and Humbers Regional Council, said: "Our management to-day is getting more professional and efficient than ever before. Yet despite all this, our industrial performance is lousy."

He proposed the acceptance of Resolution 4, for the pay recommendations contained in Chapter 9 of "Britain Means Business, 1977."

The present system had led to consistently high inflation, lost production, industrial disruption, and all those factors which made it well-nigh impossible to compete in the world's marketplace.

Mr. Alex Jarratt, chairman of Reed International, said that he saw in the proposals a framework for the future in a market economy. He wanted to see a framework based on market forces and on monetary discipline, but within which central bargaining had some influence on pay agreements.

The resolution was carried by a 2 to 1 majority after several speakers from the floor had declared their opposition.

Mr. John Symons of Courtauld questioned whether the proposals would bring higher productivity and better relative wages. "The really important thing is not structure. More important is whether we are going to get improved efficiency for higher wages," he said.

"If we want that, then a centralised system is not effective. There should be room for genuine and effective local bargaining as an equal and viable alternative to central bargaining."

Constraint

Mr. George Cattell, director-general of the National Farmers Union, said the proposals would be seen as a constraint on those managers whose past skill would enable them to pay more than others could afford.

"If we want a market economy, we can't seek a corporate solution to pay problems. I believe this solution is inconsistent with the rest of our philosophy," said Mr. Cattell.

Mr. John Porter, director of the Engineering Employers' Federation, said the federation shared the CBI's concern over the instability of the country's pay bargaining processes, and the imbalance of bargaining power in favour of organised labour.

Other speakers were: Mr. Gerald Mortimer, deputy chairman of Consolidated Goldfields; Mr. Peter Redpath, managing director of Calson Foam; Mr. Clifford Rose of the British Railways Board; Mr. David Kelly, chairman and managing director of R. C. Kelly (Packing); Mr. Fane Vernon of Ash and Lacy; and Mr. David Bonté, executive director of BICC Components.



Mr. A. J. Gooding, of the A. J. Gooding Group, shows delegates at the CBI conference the suit which he describes as costing him £10,000.

مكاتب الأصيل

Part
call
tax
rates

You just can't get more value onto a page.



It's surprising how much money people are prepared to pay for frills and fancies on a car, and bewildering how they go on paying to keep such expensive machinery on the road.

Morris build 10 Marina saloons and 2 estates for people who want to run a totally satisfying car that isn't a financial liability.

Because it's a Morris, there's nothing irrelevant about the Marina. No gimmicks, just solid value. Everything in a Marina does its job well: from engine to ashtray, the Marina is a car that's been tried, proved and perfected.

Because it's a Morris, you're not spending money on

styling fads that fade overnight; you're buying clean and classic looks that last. The spares you may have to buy don't come from the ends of the earth so they don't cost you the earth.

Because it's a Morris, there are no marathon trips to find a garage that understands a Marina inside-out. It's one of the easiest cars to service and maintain, which takes a lot of the sting out of today's servicing costs. It uses petrol as if every drop counted; in the 1977 Total Economy Drive, the Marina 1.8 achieved an average 40.69 mpg.

There are many reasons why the Marina gives such good value. Or perhaps just one - because it's a Morris.

 **Morris Marina** 
From Leyland Cars. With Supercover.

Car featured Marina 1.8 HL 4-door £5514.61. Marina prices from £2580.95 including car tax, VAT and front seat belts. Delivery and number plates extra.

PARLIAMENT and POLITICS

DEVOLUTION DEBATE

Millan urges response to Scotland's demands

BY PHILIP RAWSTORNE

MR. BRUCE MILLAN, Secretary for Scotland, yesterday warned that failure to give Scotland a measure of devolution could create considerable dangers for the future of the United Kingdom.

Opening the second reading debate on the Scotland Bill, Mr. Millan said there was no doubt that the people of Scotland wanted more powers over their own affairs.

The Commons should not put them in a position where the only choice lay between the status quo or complete independence, he said.

Appealing to Labour MPs, in particular, to support the Government's Bill, Mr. Millan said that the Scottish people were not met, the Commons might regret it in the future.

"Our proposals are securely based on the continuing unity of the United Kingdom," he declared. "I have no doubt that this is what the vast majority of the people of Scotland want."

But within the continuing unity, there is room for diversity and giving greater scope for the expression of Scottish identity. That is what the people of Scotland desire. That is what our proposed political devolution are all about.

Mr. Millan said that the Government measure would give the Scottish people greatly improved democratic participation in making their own choice on matters of Scottish affairs. "I believe that such a reform will strengthen the unity of the U.K. and that failure to make it could weaken that unity," he said.

Conservative MPs delayed the start of the debate for almost an hour with procedural arguments. And Mr. Francis Pym, from the

Opposition front bench, again called on the Government to withdraw the legislation and set up a constitutional conference to reach an agreed solution to the devolution issue.

"The consequences of this Bill will damage the Union and could prove fatal to its continuance," he said.

Mr. Pym claimed there was a feeling of deep unease in both major parties about the Bill. "There are too many unanswered questions, too many doubts, for it to be possible to say that any thing approaching a broad measure of agreement exists. It does not."

Neither was there any broad measure of agreement in the country. There was confusion, anxiety, and frustration that the Scottish people were not met, the Commons might regret it in the future.

Mr. Pym said that the Secretary for Scotland had been unable to explain what the function of Scottish MPs would be if the

backbenchers. "On the contrary, misgivings have increased," Mr. Pym added. "Pressure of a very powerful kind has been applied to the extent that some MPs seem to take the view that they will vote in favour of the Bill even though they do not believe in it."

It was fundamentally wrong to approach major constitutional reform in a partisan and party political way. "In the bitterness of acute inter-party conflict, no wise or enduring constitutional reform can be achieved."

Mr. Enoch Powell (UDC Down St) said: "A constitutional change of this importance ought not to be passed through a deeply-divided House of Commons."

"These are changes of a kind that, if they are to be made at all, should be made with near full-hearted consent as can be achieved."

Mr. Powell said that the Secretary for Scotland had been unable to explain what the function of Scottish MPs would be if the

Bill was passed. Behind this loomed the much larger question of the whole composition of the Commons when 71 of its members came from Scotland.

It was not possible to achieve a unitary Parliamentary State unless the State itself was to be devolved into a federation.

Constitutional reform which would leave the U.K. intact should be referred, after the House of Commons, to the people of the U.K. as a whole, rather than the people of Scotland alone.

"The reason this referendum is to be limited to the people of Scotland is that the Government recognises that at stake is the separation of Scotland from the rest of the U.K.," he said.

The supreme interest of Ulster Unionists was in the maintenance of the United Kingdom. Because the Parliamentary union would inevitably be eroded and destroyed by the Bill, they would vote against it until it was destroyed.

Tory MPs dispute title of Bill

THE START of the debate was delayed for almost an hour while Tory MPs argued whether the Government should be forced to withdraw the Bill.

Mr. Graham Page (C. Crosby) claimed that the Bill went beyond its description in its long title which merely stated that the measure "provides for changes in the Government of Scotland and in the constitution and functions of certain public bodies."

Mr. Page pointed to several clauses in the Bill which, he claimed, would involve changes

in the law in other parts of the U.K.

He was supported by Mr. Ronald Bell (C. Beaconsfield) and Mr. Robin Maxwell-Hyslop (T. Brighton).

Mr. Ian Gow (C. Eastbourne) argued that the Bill did not cover the case of the British Waterways Board, and Mr. Norman Tebbit (C. Chingford) said that if the assembly ever cut the duty on whisky, tax changes would have to be made in the rest of the U.K.

Mr. George Gardiner (C. Reigate and Banstead) complained

that the Government's plan to put their devolution plans to the Scottish people through a referendum was also outside the scope of the Bill's description.

But the Speaker, Mr. George Thomas, said that the provisions of the Bill made clear that the powers to be conferred on the assembly were "in no way absolute."

He added: "No powers which are conferred on the assembly to legislate for the remainder of the U.K. except in the context of action concerning devolved matters that relate to Scotland," he said.

Benn pressed to seek coal productivity deal

BY IVOR OWEN, PARLIAMENTARY STAFF

PRESSURE FROM both sides of the Commons for a new Government initiative to improve productivity in Britain's coal industry brought only a guarded response from Mr. Anthony Wedgwood Benn, Energy Secretary, in the Commons yesterday.

He underlined the importance of geological factor and the impact made by new technology in commenting on the "in wisdom of those not familiar with, or who do not work in, the mining industry, in seeking to read lectures to those who actually work in it."

Mr. Benn's attitude was sharply criticised by many Tory MPs who, led by Mr. Tom King, shadow Energy Secretary, pursued their campaign to force his resignation for the "incompetent role" he played in the miners' productivity ballot.

"We regard your answers as pathetic as your general contribution throughout the productivity ballot," said Mr. King.

He maintained that so long as Mr. Benn continued in his present office, he could not wave away his responsibilities in the way he had sought to do. It was widely accepted in the industry that some element of improved productivity was still possible.

Mr. Benn, who admitted that overall production and productivity in the mines had not increased over the last three years, indicated that he would continue to discuss the issues involved with the National Coal Board and the leaders of the mining unions.

But nothing would do more to worsen relations in the industry than to threaten, as Mr. King had done, to review the capital investment programme for coal.

When, at a later stage, Mr. King backed a call by Mr. Peter Hardy (Lab. Rothley Valley) for a new Government initiative, the

Minister told him: "You are now becoming silly." Mr. Benn added: "Last week, you said I should be dismissed. Now you say I have an important part to play in the future of the industry. You had better make up your mind."

Replying to Mr. Hardy, the Secretary of State said: "I doubt whether Ministers or MPs are the best people to tell miners, the mining engineers and the managers how to dig the coal."

Mr. Dennis Skinner (Lab. Bolsover) insisted that the unity of the National Union of miners must be paramount.

"Any attempt to have local productivity deals can only damage the long-term interests of the miners," he said.

Pointing out that these were matters for the NUM, Mr. Benn said: "I don't really think that my intervention would be either helpful, necessary or right."

Mr. Peter Emery (C. Honiton) asked if Mr. Benn, as a member

of the Cabinet, was able to make it clear that the Government expected the NUM to accept only a 10 per cent. wage increase.

Claiming that the Government's position had already been made clear, Mr. Benn charged: "The truth is that you are disappointed that there has not been a conflict between the Government and the mining industry."

In a written reply, Mr. Alex Eadie, Under-Secretary for Energy, stated that domestic coal stocks were at a lower level than was desirable at this time of year.

The National Coal Board and the coal trade estimated that stocks at both pitsheads and merchants' yards were equivalent to around three weeks' consumption.

Mr. Eadie also stated that some 200,000 tons of anthracite are expected to be imported in 1977, compared with 143,000 tons last year.

Funds available for small firm projects—Minister

FINANCIAL TIMES REPORTER

FUNDS ARE still available to assist the collaboration of small businesses under a scheme introduced by the Department of Industry in 1975, Mr. Bob Fryer, Under-Secretary for Industry, said in a Commons written reply yesterday.

Mr. Fryer added: "Of the £100,000 available, the total amount so far committed is about £30,000. The Department will consider applications for assistance which it receives up to March 31, 1978, in respect of studies which are likely to be completed by September 30, 1978."

Under the Scheme, the Department provides 50 per cent. of the cost of feasibility studies undertaken to establish collaborative arrangements among small firms. These could include provision of central management services, collective purchasing or financing arrangements or the creation of consortia in the fields of subcontracting or exporting.

Applications should be addressed to the Department of Industry, Small Firms Division, Abell House, John Islip Street, London SW1P 4LN.

over the level of exports from the North Sea. "If you would like us to have control, I think you ought to say so," he told Mr. Gray.

If, on the other hand, he had intended to say that the Government should seek to persuade the oil companies, through participation agreements or some other way, to observe the two-thirds line, this was exactly what was being done.

Mr. Gordon Wilson, deputy leader of the Scottish National Party, said the figures given by the Minister showed that there were no limits in relation to the export of crude oil.

The Government, he said, was prepared to allow the oil companies to export what they liked rather than require them to provide new investment for the petroleum industry in Scotland.

Dr. Mahon asked him that the Government had no intention of

allowing the oil companies simply to export North Sea oil at will. If the SNP were encouraging a limit of oil exports by legislation, the Government would look forward to its support if such a Bill ever had to be introduced.

Earlier, Mr. Gray spoke of concern among many oil companies about participation agreements following negotiations with the British National Oil Corporation. "This is not likely to encourage companies in their future development programmes," he warned.

Mr. Anthony Wedgwood Benn, Energy Secretary, accused Mr. Gray of amplifying and extending every single little murmur of criticism voiced by the oil companies against British oil policy.

Every one of the Opposition's predictions about the effects of the policy on the industry had proved to be wrong.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TEXTILES It's neither a knit nor a weave

VERY INFREQUENTLY novel fabric forming techniques are offered to the textile trade as serious alternatives to weaving or knitting. From Czechoslovakia comes news of a combined knitting and weaving process that is simple and very high speed, producing cloths that combine woven and knitted structures.

Metap is being marketed by Investa, Prague (British representative: Omnipol Trading and Shipping Co. (London), 34-38 Gray's Inn Road, London, W.C.1. Tel. 01-242 8640). The process makes cloth at speeds of 400 to

500 r.p.m., but because it inserts a double "pick" it is more accurate to say that fabric production ranges between 500 and 1,000 pick/min.

In the machine—which closely resembles a loom—there is continuous weft supply as in a normal loom. The fabric formation takes place by the two yarns being taken through a bed of latch needles. The weft is traversed by devices that take it to and fro across the needles and across the warp yarns, which are raised and lowered by needles as in a classical loom. In this way the cloth produced is effectively

part woven (75-85 per cent.) and partly weft-knitted. With the new machine the fabric width will be 1.60 metre maximum but, if required, it will be possible to produce two or more pieces of cloth at the same time in the machine. All fabrics will have a firm selvedge without either tucking-in or fringe and there is no waste of yarn in the new process. Both spools and filament yarns can be handled with equal ease and the number of picks per centimetre is adjustable from as few as five to a maximum of 50.

So far, little is known about the cloths that are made on the machine just how they will compare in the trade. By implication it would appear that except for a few variations in construction the machine will be limited—at least initially—to the production of plain fabrics. Fabric weights from 50 to 300 g/m² (11.9 ozs/sq. yd.) can be made on the Metap machine which is driven by a 1.5 kw electric motor.

COMPUTERS Distributed processing promise

BECAUSE of its claim to be Number 2 in the minicomputer market and no slouch in the micro area, any announcement from Hewlett-Packard as regards distributed processing, in which much of the responsibility for data handling is handed down from central processing equipment to machines, out at remote plants and warehouses, is worth close attention.

H-P has brought out two new small computers for distributed work. It has also issued a policy statement which is intended to reassure both users and the manufacturers of large central computers. In effect, the statement says that whatever happens, each step a user may make towards distributed processing will not affect the work already being done on the equipment the company is now promoting. In other words, functions set up on H-P networks, once running, are isolated from one another so

that any new developments added to the routines can be operated with no effects on traffic already running.

To large extent, this policy announcement engages H-P vis-à-vis the large manufacturers of general purpose computers since the company accepts responsibility to keep notes of evolving developments so that H-P networks can be connected to other manufacturers' systems.

In the meantime, the company has been doing a good deal of retroactive work on its existing small to medium computers so that they can be made effectively to communicate with each other. This embraces ability to transfer large amounts of information such as complete files of data, and to use the controller's words.

More from Hewlett Packard at King Street Lane, Wincoburn, Wokingham, Berks, RG11 5AR. Wokingham 784774.

The file transfer capability and the remote control function go some way towards answering the protagonists of the "big and beautiful" who say they are not prepared to allow databanks out of central control.

These apparently simple statements cover an enormous amount of homework by Hewlett Packard and also the fact that whatever the pundits may say about distributed processing, the company believes it is here to stay.

Whatever the experts may think about the H-P statement of intent, it is interesting to note that it is the first pronouncement from a mini-maker on this thorny problem in which a clear policy has been laid down, with a great deal of actual development to support the words.

More from Hewlett Packard at King Street Lane, Wincoburn, Wokingham, Berks, RG11 5AR. Wokingham 784774.

MACHINE TOOLS Accuracy improved

LOSS OF machining accuracy that can occur with ball bearing mounted anti-friction floating holders for tapping and reaming tools is eliminated by using roller bearings.

The most frequent cause of reject parts during tapping and reaming is the presence of misalignment between the machine spindle and the tool guide bushing, which can be corrected by providing a parallel floating movement to the cutting tool.

This is usually provided by ball bearings between the fixed part of the toolholder mounted in the spindle and the floating sleeve bearing the cutting tool. Unfortunately, this type of bearing wears and eventually prevents the floating action.

Both these problems have been solved by the new design of roller bearings.

The holder has an automatic self-centring mechanism, set by the maker. When high spindle speeds and heavy cutting tools are used, the mechanism is adjusted by a hexagonal key to counter-balance the increased centrifugal force.

The holder is supplied with automatic straight Morse taper and ISO shanks to suit most machine tools.

More from Bristol Erikson, Tower Road North, Warmley, Bristol BS15 2XF (0272 677571).

Bristol Erikson has introduced a holder with 12 rollers, providing 0.75mm movement in all directions to give a total float of 1.5mm. Full time contact eliminates the fretting and wear experienced with ball bearings.

The holder has an automatic self-centring mechanism, set by the maker. When high spindle speeds and heavy cutting tools are used, the mechanism is adjusted by a hexagonal key to counter-balance the increased centrifugal force.

The holder is supplied with automatic straight Morse taper and ISO shanks to suit most machine tools.

More from Bristol Erikson, Tower Road North, Warmley, Bristol BS15 2XF (0272 677571).

COMPONENTS Heat loss reduced

TWO PROBLEMS have been encountered with aluminium sealed-unit double glazing — heat loss through the aluminium, and across the comparatively narrow gap between the panes.

Aluminium has a high heat conductivity ("U" value is 5.67) and is almost equivalent to an open window on an average window or door the framing members account for about 20 per cent. of the surface area, there can be considerable heat loss through the frame, and consequently heavy condensation in bathrooms and kitchen.

Although producing a neater job than secondary glazing, conventional sealed double glazing units have a separation of from 5 to 8 mm, which is too narrow for high efficiency.

Both these problems have been solved by the new design of aluminium frames of its range of windows and doors are discontinuous—that is, the outer and inner frame are separated by a rigid PVC extrusion. This is claimed to reduce heat loss through the frame by 700 per cent., and in addition to reduce external sound penetration by up to 32 dB.

The gap in the sealed units has been increased to 20mm, believed to be the widest in the U.K. This is said to improve insulation by 25 per cent., compared with conventional units.

More from the maker at Wadsworth Road, Perivale, Middx., (01-997 6635).

job than secondary glazing, conventional sealed double glazing units have a separation of from 5 to 8 mm, which is too narrow for high efficiency.

Both these problems have been solved by the new design of aluminium frames of its range of windows and doors are discontinuous—that is, the outer and inner frame are separated by a rigid PVC extrusion. This is claimed to reduce heat loss through the frame by 700 per cent., and in addition to reduce external sound penetration by up to 32 dB.

The gap in the sealed units has been increased to 20mm, believed to be the widest in the U.K. This is said to improve insulation by 25 per cent., compared with conventional units.

More from the maker at Wadsworth Road, Perivale, Middx., (01-997 6635).

MPs call for oil exports limit

BY IVOR OWEN, PARLIAMENTARY STAFF

GROWING SUPPORT for limiting North Sea oil exports, which accounted for nearly 40 per cent. of production in the 12 months to the end of September, was indicated yesterday from both sides of the Commons and welcomed by the Government.

Dr. Dickson Mahon, Minister of State for Energy, stressed that exports during the period were nearly 6 per cent. above the so-called "two-thirds" rule laid down by the Government in December, 1974.

He described this as "quite significant" and told MPs: "We are determined, because of our continuing consultations with the oil companies, to try to get this matter corrected and in perspective."

The Minister stated that in the year to September 30, 1977, nearly 13m tonnes of North Sea crude was exported, representing nearly 40 per cent. of production in the period. The total value was approximately £750m.

Mr. Patrick McNair-Wilson (C. New Forest) described these as staggering figures which might well make the U.K. eligible for admission to OPEC.

"Why this enormous level of exports? Why not retain this oil for our own use," he asked.

Dr. Mahon said he had a great deal of sympathy with this point of view. After referring to the significance of the figures in relation to the two-thirds rule, he pointed out that participation agreements would permit consultation on plans for marketing North Sea crude.

From the Opposition front bench, Mr. Hamish Gray, a Conservative energy spokesman, pointed to the excess of refining capacity in Britain. He asked why the Government, with all the measures taken to control the oil market, was allowing 40 per cent. of North Sea production to go in export.

Dr. Mahon replied that the Government did not have control

over the level of exports from the North Sea. "If you would like us to have control, I think you ought to say so," he told Mr. Gray.

If, on the other hand, he had intended to say that the Government should seek to persuade the oil companies, through participation agreements or some other way, to observe the two-thirds line, this was exactly what was being done.

Mr. Gordon Wilson, deputy leader of the Scottish National Party, said the figures given by the Minister showed that there were no limits in relation to the export of crude oil.

The Government, he said, was prepared to allow the oil companies to export what they liked rather than require them to provide new investment for the petroleum industry in Scotland.

Dr. Mahon asked him that the Government had no intention of

allowing the oil companies simply to export North Sea oil at will. If the SNP were encouraging a limit of oil exports by legislation, the Government would look forward to its support if such a Bill ever had to be introduced.

Earlier, Mr. Gray spoke of concern among many oil companies about participation agreements following negotiations with the British National Oil Corporation. "This is not likely to encourage companies in their future development programmes," he warned.

Mr. Anthony Wedgwood Benn, Energy Secretary, accused Mr. Gray of amplifying and extending every single little murmur of criticism voiced by the oil companies against British oil policy.

Every one of the Opposition's predictions about the effects of the policy on the industry had proved to be wrong.

LAINING

THE COMPLETE CONSTRUCTION SERVICE

ELECTRONICS

Speeds up assembly

FOR those who cannot justify the expense of full scale automatic assembly of printed circuit boards using bandoler feed and x-y tables, Elite Engineering of Fareham is offering an assisted work station that can significantly cut assembly times.

Bulk components for assembly are presented to the operator via a mast of 24 bins arranged in rows of 14 round the periphery of a horizontal drum. For each insertion the drum is indexed to present the correct row and the appropriate bin is illuminated to show the operator which component to select.

On a horizontal work table, held on a fixture on to which an image of the physical circuit is projected from an overhead film-strip projector, the strip indexes cause the correct position for the component to be brightly illuminated. The leads of each component are cropped and bent by pneumatic unit under the fixture.

Scope for error is reduced, "less learning" is needed, and master boards do not have to be consulted. More from the company at Salter's Lane, Fareham, Hants. PO18 0TD (03292 31435).

PROCESSING

Less nickel applied

WITHOUT ANY sacrifice in appearance, a 25 per cent. reduction in nickel thickness can be achieved with the "Superstrip" process, according to the maker M. L. Alkan.

This reduction is obtained with one of a range of nickel plating processes introduced by the company. Another version is for heavy plating at low brightness cost, and a third is for more modest plating speeds at low nickel concentration and low temperature, which reduces running costs.

The processes are available for both rack and barrel applications. The latter case uses a one shot brightener. The company has also introduced two options: purifying agents for the removal of metallic contaminants. More from the maker at Stonefield Way, Victoria Road, Rushley, Middx., HA4 6JS (01-845 3301).

RESEARCH

Colour from black and white

JAPANESE company Hitachi says that its laboratories have developed a system in which ordinary black and white microfilm can record the information in a colour image 70 times faster than a colour television monitor.

Main advantages of such a system when developed would be that for the bulk recording of coloured images—for example in technical or archival applications—film costs could be cut by as much as two thirds, and the problems of fading during long-term storage would, according to Hitachi, vanish.

No special camera is needed to record the images. Instead, a stripe of film of the pitch placed in front of the image chrome emulsion and film has the effect of breaking the image into three parts, determined by the cyan and yellow components in the filter. Thus the colour data is impressed on the film in terms of discrete areas of grey-scale tones.

Full details of how this image is reconstituted in colour are not provided. Basically, however, the monochrome film is illuminated and the image passes through what amounts to an inversion of the recording sequence, being scanned in the process by a colour camera. The image appears on a colour television monitor.

Evidently the invention, if developed into any kind of consumer product, could incorporate the domestic colour TV set, would have a radical effect on the sale of colour films. At this stage, Kodak in London is unwilling to make any comment.

QUALITY CONTROL

Sound test against known value

PRECISION EQUIPMENT for use in the field of acoustic power measurement, Type 4205 sound power source, consists of two units, the generator—containing all the controls, filters, battery pack, amplifiers and meter—and the sound source, with two loudspeakers and associated cross-over networks, etc.

This combination can be used to produce continuously variable and calibrated acoustic power output up to 100 dB in all directions. Output can be wide band or octave band pass filtered. The output can be switched off in less than 30 milliseconds. The 4205 is battery operated and will have many applications, such as measurement of sound distribution, sound insulation, reverberation time, loudspeaker efficiency and the determination of the sound power output of machinery by substitution and juxtaposition methods.

B and K, Cross Lanes Road, Hounslow, TW3 2AE. 01-871 7774.

IF YOU SMELL GAS-RINGUS

If you smell gas, remember the simple safety rules—

- * Don't smoke or use naked flames.
- * Don't operate electrical switches—on or off.
- * Do open doors and windows.
- * Then check that you haven't left the gas on and unlit—or that a pilot light has not gone out.

If you suspect a gas leak, turn off the supply at the meter—and report the leak. Do this at once.

The number's in the telephone directory under Gas—and we're on call 24 hours a day.

We'll come quickly and deal with the problem. And if you smell gas at work or in the street, please report it at once. Don't leave it to someone else.

WE'RE HERE TO HELP YOU—24 HOURS A DAY

Ask at your local gas showroom for our free booklet "Help Yourself To Gas Safety" which describes the full range of services we provide.

BRITISH GAS

مكاتبنا للتصميم

The Management Page

EDITED BY CHRISTOPHER LORENZ

Fortnight ago we discussed the damage created by public confusion between science and engineering. To-day David Fishlock sees how Rolls-Royce tries to match the two science as servant to the engineer—how the flying 'plumbers' see it

BOOK REVIEWS

BY PETER RIDDELL

Immodest economists?

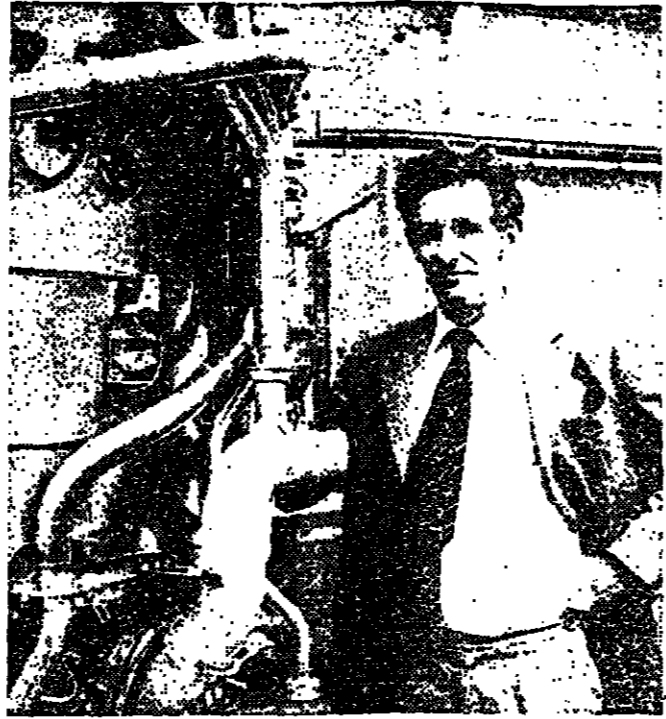
The End of the Keynesian Era, by Robert Skidelsky. Macmillan, £6.95 and £2.95. The Economists, by Leonard Silk. Harper and Row, £5.95.

My colleague Sam Brittan adds... Mr. Silk, a member of the editorial Board of the New York Times of a former senior fellow at the Brookings Institution, discusses each of them in an almost magazine type of profile, full of quotations with their views on politics as well as an outline of their more academic work. The book provides an insight into how economists work and how they came to their present views. All five—with the possible exception of Kenneth Boulding—are public figures, engaged in the debate about policy, and most are not exactly modest men. Mr. Silk makes clear that, as with Keynes, the personal background and early training are crucial in determining later views. Thus Wassily Leontief's work on input-output analysis can be traced back to his student days in Russia in the 1920s and then in Berlin. Similarly, J. K. Galbraith's views on the price mechanism and control and the role of the state were inspired by his work on agricultural economics—in particular, the contrast between the fall in farm prices and fairly rigid industrial prices during the Depression.

Five senior statesmen

Leonard Silk succeeds rather better in fulfilling his aim of presenting the lives and principal ideas of five leading US economists. The five—Paul Samuelson, John Kenneth Galbraith, Kenneth Boulding, Milton Friedman, Wassily Leontief—are very much the senior statesmen of the US economics profession and three are Nobel prizewinners.

Mr. Silk concludes with a general discussion of the current work of economics and some of the new work now being undertaken; for example, on social justice and equality, and redistribution. This is not an original or scholarly work but it does help to bridge the gap between academic economists, even as well-known ones as Galbraith and Friedman, and the lay reader. Who would a similar book in the U.K. cover—Hicks, Meade, Kaldor, Joan Robinson, Harrod, Robbins and Kahn among the older generation?



Pierre Young: "A painstaking struggle"

BRITISH company which, under the control of Mr. Alan Young, its chief engineer, cannot be accused of spending manufacturing money on a Rolls-Royce engine. Traditionally, its efforts have lain not in inventing new engines—though it has translated other people's designs into finished products. To-day, the company presents an example of how research can be harnessed to the benefit of engineering. It is told that the late Lord Hives, an eminent member when chairman of Rolls-Royce, was introduced to a high-ranking U.S. naval officer. Said the sailor: "I suppose you're just another bloody bankers." "No," replied Lord Hives. "I'm just a plumber." Hiding successful gas turbines can be seen as plumbing exceptionally high quality, from wishing to seal up all leaks in an engine from a gas is emerging at a pressure of several hundred pounds per square inch, the designer to gain full control of his machine. He uses them, for example, to balance pressures throughout the engine and—important—to keep key components cool. The presence of a highly sophisticated order underpins engineering skill for this kind of thing. And the man who actively acts as chief test pilot of Rolls-Royce today is a superb engineer, whose experience includes a decade of responsibility for the development of Concorde's 593 engine.

It has stayed fairly constant. "But the case for increasing it is one we keep debating at great depth." In practice, he claims the constraint tends to be finding the right people to work on some particularly tough problem, say a fundamental understanding of the noise made by a gas turbine, or ways of investigating the aerodynamics of an engine in full spate. How much Rolls-Royce should be spending on advanced engineering was questioned once again this summer, when the Public Accounts Committee expressed "serious concern" that the Government had still approved no corporate plan for the post-1971 company. The MPs recognised the very long lead time associated with the aero-engine business, and the fact that the company had to invest heavily in research now—in spite of a £21m. loss last year—if it was to be profitable in the 1980s.

In September Sir Kenneth Keith took outside advice to help answer the question. He engaged as consultant Dr. Abe Silverstein, formerly director of one of NASA's research centres in the U.S., who worked with Sir William Cook, a former Rolls-Royce director, on an independent critique of the company's research programme. They were handed five thick dossiers on the programme to audit. According to Young, their broad conclusion is that technically the company is abreast of its bigger-spending U.S. rivals—in some areas even ahead.

Young is proud of the way his £15m. for advanced engineering is integrated into the total engineering effort, so that resources can be rearranged quickly as discoveries or problems dictate.

Within his programme is a modest effort on advanced research under the direction of Mr. Jack Hill, who sees it as "filling in the interstices in the engineering programme." Once located at Old Hall, a country house outside Derby, this effort today is itself tucked into interstices—or nooks and crannies—in the main engineering laboratories. Yet excellent science—in noise control and 3-D holographic inspection of moving parts to look for leaks, for example—is thriving under these rough-and-ready conditions. Some examples of advanced research which have been fed into the company's manufacturing operations to become key products are described in the inset.

Advanced engineering for gas turbines progresses in four clear steps, each a factor of ten more expensive than its predecessor. From small beginnings, costing perhaps a few thousand pounds, the idea advances to a test rig costing around £50,000. Step three takes the idea to a "demonstrator," in effect a complete piece of engine costing around £500,000.

At this stage, the Rolls-Royce Board has to choose which to pursue and which to abandon, for step four means building a complete engine, costing up to £5m. (Its U.S. rivals, says Young, are more fortunate in having enough Government finance to allow them to keep more options open.) If it gets it right, the idea will be picked up at stage four by one of the project teams, and carried forward by the main £120m. engineering effort.

Thus for an idea—be it a new engine configuration or just a new component—to catch the eye of its project teams, Rolls-Royce must be prepared to spend heavily on advanced engineering over a period of seven or eight years. With the basic configuration of big jet engines such as the RB211 now firmly fixed, perhaps for the next 20 years, most advanced engineering today concentrates on improving efficiency of individual components. The future, says Pierre Young, lies in a painstaking struggle to improve the efficiency of each key component by just 1 or 2 per cent—for an outlay of perhaps £5m. per part.

Applied research SOMEONE once described the heart of a gas turbine as "molten metal held together by stress concentrations." The emerging combustion gases impinge upon one of the most complex of all engineering components today. This is the turbine blade, only 3 or 4 inches long, which may be extracting 300 hp from the hot gas. It is a triumph for the science of aerodynamics—the part that has made possible the packaged holiday, says Jack Hill.

In a research programme begun at Old Hall back in the 1960s, Pierre Young's scientists have developed remarkably ingenious ways of piercing these well-nigh unmachinable alloys, to create controlled leaks of air that prevent blades from melting. They use needle-like jets of acid and a high voltage to eat metal away by a combination of electro-chemistry and plasma machining. As a production-line operation for the RB211 engine, the technique took several years to perfect, but today it is down to a 1 per cent. scrap rate.

Electro-chemical jet machining is an example of an advanced manufacturing technique for which there is no alternative. Another advanced manufacturing concept begun at the Old Hall illustrates a different kind of problem for the engineers—whether and when to replace one manufacturing technology with a new one that affords valuable gains in engine performance.

Development of the hollow titanium fan blade for the RB211 engine was begun as an alternative to the ill-fated carbon fibre blade. It has taken six or seven years to learn how to make this very high duty component by forming a sandwich of titanium sheets with a titanium honeycomb filling, and how to inspect it to the standards required.

Rolls-Royce has run them in engines and showed that the lighter blades will improve the RB211's specific fuel consumption by 1.5 per cent.—precisely the loss when carbon fibre was abandoned—by lopping 134 lbs off the engine. What is more, the new blade will be cheaper to make than the heavier forged-titanium blade used at present. The "terrible judgment" which the company must take, says Young, is whether to authorise an investment of about £2m. in the manufacturing line required for the new blade.

Not directly saleable

The third sector of development spending, "advanced engineering," is Young's personal parish. Costing £10m. a year, it embraces "all the engineering work not directly saleable." Its main object, as Young sees it, should be to minimise expenditure on trying to improve the plumbing once an engine has been launched. As a ratio of the total effort at Rolls-Royce

is integrated into the total engineering effort, so that resources can be rearranged quickly as discoveries or problems dictate. Within his programme is a modest effort on advanced research under the direction of Mr. Jack Hill, who sees it as "filling in the interstices in the engineering programme." Once located at Old Hall, a country house outside Derby, this effort today is itself tucked into interstices—or nooks and crannies—in the main engineering laboratories. Yet excellent science—in noise control and 3-D holographic inspection of moving parts to look for leaks, for example—is thriving under these rough-and-ready conditions. Some examples of advanced research which have been fed into the company's manufacturing operations to become key products are described in the inset.



WHY HAS THIS SYMBOL BECOME THIS IN 1977?



The symbol stands for 200 years of productive trading between the United Kingdom and South Africa. Britain is still South Africa's most important market for her exports. British imports range from vital foodstuffs to essential raw materials. And South Africa herself imports more than £600m of British goods every year. (Britain in fact enjoys a healthy visible and invisible trade surplus with South Africa, helping redress her overall trade deficit.)

This traffic is vital to the economy of both countries and is one of the chief reasons why South Africa has just completed a massive investment in the most modern containerisation facilities in the world. This new service has meant new ships, new docks, new port handling plant, new trucks, new rolling stock. Comparable investment has been made by Britain with new ships and containerisation facilities at Southampton.

Containerisation means faster freight handling, goods arriving in better condition, and less risk of pilferage. But if the economic savings of containerisation are to be enjoyed to the full those boxes have got to be full both ways.

We are here, at South Africa House, to give importers from South Africa, and potential investors in South Africa's ebullient economy, all the help we can.

We have always been a giant in the field of raw materials. This natural endowment is today linked with an industrial technology, and manufacturing resources which match any of the developed countries of Western Europe.

Capital investment in South Africa can be very rewarding as the expanding investments by many prominent world business leaders have proved.

Importers from South Africa know that delivery dates will be met, quality control will be stringent, and prices keen. For more information, please contact: The Minister (Commercial), South African Embassy, South Africa House, Trafalgar Square, London WC2N 5DP. Telephone 01-930 4488.

UK/SOUTH AFRICA Trading partners for 200 years.

Pensions—a belated exception

THE ARTICLE on pensions which was published on November 2 discussed the problems of small companies. It pointed out that most small employers were being advised to stay in the State scheme on cost and administration grounds and that this seemed to be harsh advice to employers who felt that they could do better for themselves and their employees with a company scheme if only something could be organised. The logical solution seemed to be for a trade association to set up a scheme which would embrace all its members. However, nothing appeared to have been done in this direction. Since that article appeared the Motor Agents Association has sent me details of its National Motor Industry Pension Plan which is available to its 18,000 member garages. This shows that if small employers are prepared to band together, they can provide pension benefits outside the State scheme at a cost comparable to a large company scheme.

Third plan

The plan operates in two parts. The first provides basic pension and other benefits, at a level sufficient to make it worthwhile contracting out of the State scheme. Employers joining this scheme have to take out these benefits for all employees. The second part of the scheme allows employers to provide additional benefits to the first plan up to the Inland Revenue limits if required. And this plan can apply to all employees or can operate on a selective basis to certain employees. The plan provides automatic transfer of benefits when employees move from one garage to another. All members with at least five employees can use the scheme to contract-out. Those with less than five have to stay in the State scheme, but a third plan enables them to top-up State benefits. This plan can also be used to provide high level executive pension and other benefits. The MAA took the trouble to employ a top-level pensions consultant to draw up the plan and to pay his fee. Although it is probably too late for other trade associations to set up a similar plan before next April, they can still set things in motion with a view to contracting-out at a later date.

Eric Short



Rembrandt country is Rabobank country.

Rembrandt, the famous Dutch painter, worked all his life in Holland and yet created art with a worldwide appeal.

The Centrale Rabobank is very much at home in Holland, and increasingly in the world at large. With a strong agricultural background, the Centrale Rabobank heads a cooperative banking organisation with more than 3100 offices and a combined balance sheet total of well over 50 billion Dutch guilders (US \$ 20 billion) in 1976.

This makes the Rabobank not just one of the largest banks in Holland (and one of the 40th largest in the world) but also a bank with deep roots in almost all sectors of Dutch economic life.

We're now expanding worldwide with a full range of banking services. We are equipped to assist our international oriented clients, and are active in the Euro-currency and Euro-bond market.

Our international transactions in foreign currencies, Euro-credit loans and participation in new issues enjoyed a remarkable growth.

We are on our way to an important international position. And we intend to achieve it in the good Dutch tradition of solidity, with an eye for detail and imagination.

Rabobank Dutch Masters in Banking.

Centrale Rabobank, International Division, St. Jacobsstraat 30, P.O. Box 8298, Utrecht, The Netherlands, Telephone 030-369111.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY
Telegrams: Finantimo, London PS4. Telex: 886341/2, 883897
Telephone: 01-248 8000

Tuesday November 15 1977

Some grounds for concern

THE U.K. has moved into surplus territory in the figures; this month's rise in sterling will plus more quickly, and on a larger scale, than most forecasters had expected, but the real economy remains obstinately sluggish. That is the message of the three sets of economic statistics which were published yesterday, dealing with the balance of payments, industrial production and retail sales. The picture which they present is roughly consistent with the Government's forecasts which were published with the mini-Budget at the end of last month, except that the current account surplus in the second half of 1977 looks like being somewhat larger than the £1bn. predicted by the Treasury. The main uncertainties remain the same—the outlook for world trade, the level of inflation within the U.K. and hence the competitiveness of British manufacturers.

Erratic items

In October, for the third successive month, the U.K. achieved a surplus in visible trade in goods. For the three months from August to October the surplus on visible trade amounted to £233m., compared with a deficit of £319m. in the preceding months—although more than half of that spectacular improvement was due to the more erratic elements of trade. When the surplus on invisibles is taken into account, the current balance in the latest three months comes to £758m. compared with a deficit of £316m. in the period from May to July.

All this is highly satisfactory as far as it goes, but there are some grounds for concern over the behaviour of imports and exports in the most recent period. When the erratic items such as ships, aircraft, oil rigs and precious stones are stripped out of the figures, the volume of exports of finished manufactures shows a drop of 1.6 per cent. compared with the preceding three months. It is too early to say whether this marks a clear break in the buoyant trend of exports which has been evident for most of the year; exports in October may have been affected by the U.S. dock strike. But it is at least possible that the price resistance to British products of which some manufacturers have been complaining has begun to show

Tax cuts

The other two indicators published yesterday—the industrial production index for September and the provisional index for retail sales in October—contain no such surprises; they confirm the generally flat state of economic activity over the last few months. With the fall in real incomes now at an end and the tax cuts likely to give a boost to personal consumption, both these indices are probably at or close to their turning point. The underlying question of competitiveness remains. The renewed interest on the part of foreign companies in investing in the U.K. reflects the fact that even after allowing for some appreciation of sterling, this country is a relatively low-cost manufacturing and exporting base. Whether this attraction can be retained depends in large measure on the course of wage settlements over the next few months. The health of the balance of payments efforts no scope for relaxation on that front.

The Russians lose a friend

THE SOMALI decision to expel their Soviet advisers and break off their treaty of friendship sets the seal on the downturn in Somali fortunes in the war with Ethiopia. It also represents a serious rebuff for the Soviet Union, which has had close political and military links with Somalia since the early 1960s, and poses serious questions about the Soviet role in this region of the world, not least in view of the fact that it is only five years since the Soviet Union was driven out of Egypt by President Sadat. The question which has yet to be answered is whether Somalia can find alternative allies, and adequate supplies of military equipment to carry on the war in the Ogaden.

Since the spring the Soviet Union has moved into Ethiopia to fill the vacuum left by the Americans. For a while the Somalis clearly hoped that the Soviet Union would be even-handed in its treatment of Addis Ababa and Mogadishu. But it has been clear for some time that the Soviet Union has not only been supplying Ethiopia with substantial quantities of arms, but has also been throttling back the supply of arms and equipment to Somalia. One of the consequences has been that the Somali drive into the Ogaden has run out of steam.

Guerilla country

The Ethiopians, meanwhile, have mobilised substantial forces to fight in the east. With their superior numbers, and, increasingly, their superior inventory of weapons, they are clearly holding their own against the Somali attacks. It seems unlikely that the Ethiopians would in the immediate future be able to count upon recapturing the whole of the Ogaden, not least because much of it is ideal guerrilla territory largely inhabited by Somalis. But there has been speculation that the Ethiopians might go on the offensive and drive towards the

Back-peddalling

When the Soviet Union moved into Ethiopia, the Somalis were encouraged by the Americans to believe that they would be able to secure an alternative supply of arms from the U.S. Within a matter of weeks the Americans were hurriedly back-peddalling on this offer, and the Somalis have been looking elsewhere. Not the least of the paradoxes of the Somali-Ethiopian conflict is that the Somalis now seem to be pinning many of their hopes on Iran.

Last week an important delegation from Mogadishu went to Tehran, and if the Shah agrees to supply Somalia on a substantial scale it will not be because he has any love for left-wing regimes, but because of his concern to offset Soviet influence over the seelanes around the Horn of Africa.

"The Gold Rush mentality still exists... with much of the manual labour force out to grab wages in return for hard work." Nick Garnett reports

The struggle of the unions in the North Sea

A CRANE operator employed by a North Sea drilling contractor was sacked for allegedly disregarding oil rig safety regulations. A spokesman elected by the men to discuss the issue was also sacked and following talks with the onshore management the whole 10-man shift was dismissed.

Following pressure by the men's unions, including a "blacking" operation by dockers, the men were reinstated. The management then moved the men to a rig-building contract in Finland, eventually notifying them that as the rig was to be based outside the sea's U.K. sector, they were being made redundant. Suspicion still runs deep among the unions that the Finland move was an elaborate long-term manoeuvre to rid the contractors of men it classed as "troublemakers."

The incident, which took place last year, is not necessarily typical of what has been happening in the North Sea. But it pointed to a state of about relations which in mainland manufacturing would be considered archaic, and highlighted an unhealthy climate of mutual distrust which has dogged union attempts to secure more than a foothold in the North Sea oil industry. There are strong indications, however, that at least in some spheres of offshore work, things might be changing and the unions are now in the middle of a determined collective drive on the huge platforms.

As a result of the North Sea offshore operation should be a prolific breeding ground for new union membership, on which recognition agreements—the real target for the unions—are based.

Open to the elements

The weather is hostile and many of the routine jobs on the rigs, the oil exploration bases, and the production platforms are open to the elements. Much of the work is fraught with danger unless safety rules, normally in mainland manufacturing monitored by the unions, are rigidly enforced, and unless equipment kept at the highest standards of reliability. For offshore workers British offshore workers operating in the U.K. sector are the worst paid

Changes in shift patterns

The vast bulk of offshore installation workers are not paid for travelling and waiting time, unlike the seamen. There have been problems over management changes in shift patterns, sometimes introduced with little notice. Some permanent offshore staff have been concerned about the security of their jobs in face of competition from employees of outside contractors.

It is true that, given the amount of space available on offshore installations, general conditions are very good, particularly on the platforms which are up to the size of office blocks. Food is often excellent, there is usually a change of film daily in the platforms' cinemas and many oil companies have gone out of their way to try to cram as many ping pong tables and other recreational gear into available spaces.

But for the workers, it is a very monotonous environment, and with the usual 12-hour shift, one week or two weeks on, two weeks off, it is a life largely made up of working, sleeping, and eating. Alleged discrimination in favour of Americans and Canadians for the top jobs on the installations has also become an issue. The unions claim that oil companies employ North Americans as rig and platform



Workers on board a North Sea rig.

The unions' view is that recruitment on offshore installations is simply part of the general unionisation drive throughout the North Sea oil industry. The oil companies are keenly aware that it would provide the unions with a powerful industrial lever which, handled irresponsibly, could be a threat to a sector vital to the country's economic future.

The companies do have a reputation, however, for adopting a relatively hard line towards unions and union recognition, whether on land or offshore. Many of them are more used to working in parts of the world where there is little demand for unions. The unions are also to some extent hampered by the fact that the Offshore Operators Association has no power to negotiate. The attitudes of the offshore workforce have been as big if not a bigger obstacle to the unions' drive. The gold rush mentality still exists in the North Sea with much of the manual labour force out to grab wages in return for hard work and with little thought for anything else.

Wages are undoubtedly high. Figures on some of the rigs in the U.K. sector range from £3,970 a year for deckhands to £1,300 for motormen, £5,020 for derrick men, and £6,040 for rig mechanics and electricians. On top of that there is a fixed £55 monthly bonus for each man and the possibility of sizeable overtime earnings.

Trappings of civilisation

The unions admit there are many workers who have fled the mainland partly from disenchantment with Britain's industrial relations troubles. The oil companies, too, have been bringing in U.K. staff from the non-unionised Middle East and have been recruiting from among engineers and other groups in the Merchant Navy, partly because they are used to living in isolation from some of the normal trappings of civilisation.

The result is a strong emphasis on self-help and individualism. Individualism is most ingrained among the 1,500 divers—most of whom are self-employed. Their argument over tax status with the Government has led them to form their own action committee, falling right outside the pattern of the attempts of established unions to organise in the North Sea. There is little sympathy for the divers, many of them reputed to earn between £10,000 and £20,000 a year, among union officials who believe they should not have been given exemptions from PAYE deductions in the first place.

The outside contractors are a major headache for the unions. Most contract employees—drillers, construction and maintenance men—are generally paid well above the rates for permanent platform and rig staff who often do the same type of job. By offering big money, most of these employers achieve work contracts which stipulate that wage rates cover all types of work conditions which might have to be met, and the employers tend to adopt the style of "hire and fire" operators if there is much trouble from the workforce.

The unions also have to contend with managements, which perhaps naturally, are unwilling to take a lead in recognising unions in a general climate of management hostility towards organised labour. Many of the rig operators say that if they were unionised they would be frightened of losing oil company contracts. Because of the relatively poor level of unionisation throughout the North Sea and the existence of a myriad of small, foreign-owned companies, including rig operators, employing non-U.K. staff, the unions have little power with which to threaten the oil companies. That was made clear during the recent dispute over the Bristow helicopters when attempts by the seamen's unions and the Transport and General Workers' Union to put pressure on Bristow through the oil companies failed. The existence of so many vessels flying under flags of convenience, and outside the ambit of union influence, partly explains it all.

But the Inter-Union Committee says the nature of the industry is a long way from what it was five years ago. People have been building careers and many intend to stay until the oil runs out. Companies, too, have been forced to take on more labour direct from mainland industry, it has problems and that union including the refiners, which has tended to bring more of going to happen.

The Inter-Union Committee is quietly optimistic about the prospects. It has been building careers and many intend to stay until the oil runs out. Companies, too, have been forced to take on more labour direct from mainland industry, it has problems and that union including the refiners, which has tended to bring more of going to happen.

More TV horror
Nine hours of Mafia violence, spread over four successive nights, is the latest formula for boosting the vital audience ratings on American television. Tonight the final bumper instalment goes out—three hours long including the ads. NBC paid a reputed \$15m. for the rights to take the two Godfather films, plus some unused sequences and newly-shot material and edit the lot in a vast Mafia farrago.

With so much money involved for such brief exposure, British TV companies have avoided such ventures. Anyway, doing a Godfather would be difficult here, due to the rule against showing films until they are at least five years old. Perhaps we can be grateful for small mercies.

MEN AND MATTERS

Clarion call from Caerphilly

BRITISH managers are a pretty disconsolate bunch — underpaid, over-taxed, misunderstood — but still raring to go if only they were paid more, taxed less and respected. That at least was the message which I picked up from the opening session of the CBI conference at Brighton yesterday. Precious little sympathy they got from me, as speech after boring speech ploughed through cliché after tired cliché. Then up popped Alf Gooding and I repented. Gooding is an entrepreneur of the kind long praised by classical economists, but who is now just as likely to be wooed by Euro-Communists or revisionist Labour Party people. "They have to," he told me afterwards. "They've tried everything else and failed."

He had brought the somewhat conference to life by explaining what a 98 per cent marginal tax rate (on investment income) means to him. "It costs me £15 to buy you a pint, £250 for my wife to get her hair done and (at this point he swilled elegantly on his heels) I've got £10,000 worth of gear on."

All good knock-about stuff from a man whose earlier business efforts were sunk by the banks. The first time, his overdraft was recalled in the aftermath of Suez; the second was during the secondary bank collapse. But he survived to build up a £12m. a year industrialised building material company in Wales called Cadlin Components. Profits last year were around £1.25m. As for the employees, "there are 422 names on the Christmas turkey list this year."



"They're a real special case — everyone I know will back them for a long strike."

The Department of Health and Social Security that chloroform should be withdrawn from all medicinal products by next March.

The flurry and dismay provoked in British pharmaceutical circles derives from the findings of the National Cancer Institute in America. Mice and rats given large doses of chloroform developed tumours, so under U.S. law the ban was inevitable — any substance shown to cause cancer, however huge the dosage, inevitably invokes a banning order.

There are about 60 preparations used here that contain chloroform. Some are on prescription, others are sold across the counter—notably cough medicines and toothpaste. Why a Godfather would be difficult here, due to the rule against showing films until they are at least five years old. Perhaps we can be grateful for small mercies.

If you built a factory in Aycliffe, you could get back more than 60% of what it cost you from Government sources.

So, if the plant cost £1,000,000, you could get back more than £600,000—a tidy fortune by any standards.

But you needn't stop there. With your super new factory, stable industrial relations, the excellent communications and the opportunity to recruit all the skilled and semi-skilled workers you need (plus the houses to put them in!) it needn't be long before you've turned that small fortune into something very much bigger!

There are already more than 80 companies who have seen the sense this makes and are operating very successfully in Aycliffe right now. But there's still room for more. We also have new advance factories available for rent or we could help you design, finance and build your own.

We've put all the relevant information including actual worked examples, into a leaflet entitled "The Effect of Development Area Incentives," which we will gladly send you, free of charge. Contact The Director of Estates Aycliffe Development Corporation, Darlington, Co. Durham, DL5 6AW, Tel: 0325 313221, or The Director, North East New Towns London Office, World Trade Centre, London, E1 9AA, Tel: 01 488 2400. And start making your fortune bigger!

You could make a small fortune in Aycliffe. Into a big fortune...

Observer

FINANCIAL TIMES SURVEY

Tuesday November 15 1977

The Netherlands

For the Dutch people many of the accepted symbols of a settled society—social equilibrium, sound currency, ordered prosperity—have recently begun to lose their face value. The politicians are struggling desperately to find a formula for a government and the economy is labouring under the stress of the strong guilder.

Form signals the ending

Reginald Dale
European Editor

HISTORY of the Netherlands over the past 25 years has been one of post-war Europe's success stories. Thanks to a geographical situation that placed vast stretches of natural gas in their territory, the Dutch have over that period done what is arguably the most prosperous and sustained welfare state. However, most Dutch are uncomfortably aware the future is not going to be easy. The gas supplies are and will soon start level out, the country's industrial base is threatened by the boom-almost every year and the boom years of the 1960s are gone for ever. It is hard to paint an accurate picture of modern Holland. Society is pervaded by a sense of tolerance and moral responsibility that makes a taboo and support for underground activities. At the start of last May's election, a hijack by Dutch social terrorists the South Front could raise no more than 0.5 per cent of the vote in the general election. The election was held while a child was held still at gunpoint. The same spirit that makes the Netherlands the foremost champion of the poor in the Third World. Dutch pride themselves on their ability to solve dis-

CONTENTS

European policy	II	Capital market	VIII	Aircraft	XII
The Third World	III	Insurance	VIII	Construction	XII
Minority groups	IV	Labour	IX	Shipbuilding	XIII
Regional development	V	Chemicals	X	Energy	XIV
The welfare state	V	Textiles	X	Agriculture	XIV
Stock market	VI	Steel	XI	Multinationals	XV
Banking	VII	Motors	XI	Tourism	XVI

ruling Centre-Left coalition fell just before last May's general elections. Despite an apparently clear popular vote in favour of continuing the same government formula, the Socialist and Christian Democratic Parties earlier this month once again failed to agree on the formation of a new coalition after more than 21 weeks of haggling and bickering. The strong public commitment to the political system registered at May's election is increasingly turning into a mood of cynicism and disenchantment with the country's politicians.

This may be only a temporary phenomenon that will disappear once a new government is formed. With Byzantine negotiations continuing in The Hague, the political complexion of the new Government is still far from clear, although the most logical answer remains a resuscitation of the Centre-Left formula. The events of the past months, however, have not been calculated to inspire confidence in a Centre-Left coalition's ability to reach agreed solutions to the nation's problems, and the tough negotiating tactics employed by each side have generated considerable personal bitterness between Socialist and Christian Democrat politicians. The first items on any new Government's agenda must be the major annual round of end-year wage negotiations that is just getting underway, unemployment and the generally depressed state of Dutch industry. The three problems are all closely linked. Long years of payments surplus have pushed wages, taxes and the value of the guilder to such high levels that Dutch industry is finding it more and more difficult to com-

pete on world markets. The slow recovery of world trade has had particularly severe consequences for the Netherlands, more dependent on exports for its livelihood than almost any other country in the world. Throughout most of the political spectrum there is broad agreement that what is now needed is a wage freeze backed by cuts in public spending that would allow the tax and social security burden to be eased on both companies and their employees. It is widely accepted that costs must be reduced sufficiently in relation to the country's main competitors to allow Dutch industry to take advantage of the hoped-for upturn in world trade. But there are wide divergences between Right, Left and Centre over the extent of the cuts needed, and more militant left-wingers are proposing a radically different line. They argue that world recession is likely to persist and the only way to combat unemployment is a major increase in public spending, particularly on services and labour-intensive industries.

The argument over public or "collective" spending is at the heart of the running debate over whether the Dutch welfare state has gone too far, not gone far enough, or should continue developing at much the same pace. The issue will not be settled overnight, and for the time being the likelihood is that the share of "collective" expenditure as a proportion of national income will continue to increase—though perhaps not as fast as in the past. A new element, however, has been introduced by mounting discontent with the "collective" system among the more prosperous members of the workforce, previously staunch Social-

ist voters. Higher-paid skilled workers are now saddled with taxes and other liabilities, originally intended for the middle classes, while at the same time seeing their differentials eroded by rising wages for the less skilled. The Right has been quick to see them as potential recruits for the opposing "individualist" cause. The trade unions have responded by switching emphasis from their earlier drive to level incomes from the bottom upwards to an assault on the better-off—managers and white collar workers earning over £10,000 a year—in the hope of levelling down from the top downwards by means of higher taxes and reduced rises in income. Equally, the unions have made it abundantly clear that they will only accept wage restraint if progress is made in response to their other controversial demands for reforms to increase the collectivisation of Dutch society, most of which are viewed with horror by private industry. These are the introduction of an excess profits tax that would enable the workforce progressively to acquire shares in companies, Government intervention in such land speculation together with controls in factories and investment incentives to create more jobs, particularly in the regions.

But it is not just the immediate future that preoccupies the Dutch. More than in almost any other Western nation, leaders of opinion are beginning to ask searching questions about the country's economic and social development as labour-intensive industries progressively move to the Third World in the years ahead. In the Dutch case, the question is all the more urgent as the

pressure on Western Europe is likely to intensify in the very period when the Netherlands most important single asset, its natural gas, will be on the wane. Most Dutch experts believe the country has between two to four years to start taking the necessary decisions to assure its future industrial survival. One fashionable answer is to allow a rundown of labour-intensive sectors and go for a limited number of "spearhead" industries that would generate the wealth to support the collec-

tive state. Frequently mentioned examples are computers, telecommunications, environmental protection (in which the Dutch claim second place after the Japanese) and nuclear energy. Opponents of nuclear energy would substitute alternative sources such as solar and wind power—a scheme to cover the surface of the North Sea with modern windmills is already under serious study. There are, however, serious snags. Alternative energy sources may not become viable before the turn of the century; the fear of popular opposition has already caused a slowdown in the construction of nuclear power stations; and there is likely to be strong Western competition for the other suggested "spearhead" industries. The argument is developed to its most radical extreme by the Left which argues that the way ahead must be through the

"socialisation of demand." According to this philosophy the Government would stop subsidising uncompetitive industries and refrain from increasing private purchasing power. On the contrary, taxes and social security charges would be stepped up and the jobs lost in industry would be replaced in areas such as education, health, welfare and urban renewal. Demand would be channelled towards state-supplied services rather than consumer goods, thus, the argument goes, improving the overall quality of life. For those still left in industry, working hours and career spans would be radically reduced. Such thinking is regarded as outrageous by the Right. Some Labour Party moderates regard it as ideologically attractive but totally unrealistic. The Dutch have not yet found the answers, but at least they are asking the questions.

POLITICS

Confused arena

DUTCH POLITICS have long been incomprehensible to foreigners. They are now fast becoming incomprehensible to the Dutch too. Although it is almost six months since last May's general elections, the Netherlands is still without an effective Government, and much of the population is at a loss to know why.

During the last lengthy coalition-building negotiations in 1972-73, people used to joke that the Netherlands had never been so well governed as it was without a government. It would not sound so funny now. Instead, the general public is growing increasingly disenchanted with the politicians and their seemingly endless jockeying for position. In 1973 there were at least mitigating circumstances, as Christian Democrats and Socialists were trying to form their first coalition after long years of Centre-Right government. This time no such excuse is available. The coalition parties emerged from the election with an increased majority, which was widely interpreted as a popular mandate for the continuation of the Centre-Left formula.

The Socialist party of Mr. Joop den Uyl, the outgoing Prime Minister, scored a record victory with a gain of 10 seats—a landslide in Dutch terms. In his four years as Prime Minister the fatherly Mr. den Uyl has handled successive crises, from the Arab oil embargo to Prince Bernhard's involvement in the Lockheed affair and numerous kidnappings and hijacks with consummate political skill. He is clearly head and shoulders above any other candidate for the premiership in the new Government. It is true that the third main political group, the conservative Liberal Party, also made impressive gains in the elections, moving up from 22 to 28 seats, opening up at least the theoretical possibility of a Centre-Right coalition composed of Liberals and Christian Democrats. But Liberals and Christian Democrats together only have a paper majority of two in the 150-seat lower Chamber—a majority that would be extremely difficult to maintain as a number of the more left-wing Christian Democrats would almost certainly refuse to support a pact with the Liberals.

But while a Christian Democrat/Socialist Government is by far the most logical outcome of the elections, it has proved enormously difficult to put together. In over 21 weeks of sometimes acrimonious negotiations, talks between the two parties have broken down four times—first over the controversial plan for an excess profits tax, then over abolition, then over the distribution of Ministerial portfolios and finally over the names of the Ministers who should assume the portfolios. The small progressive D'66 has also participated in the negotiations as a potential

THE MAY PARLIAMENT

PvdA (Socialist)	53
CDA (Christian Democrats)	49
VVD (Liberals)	28
D'66 (Democrats)	8
PPR (Radicals)	3
SGP (Calvinists)	3
CFN (Communists)	2
DS'70 (Democratic Socialists)	1
PSP (Pacifist Socialists)	1
BP (Farmers)	1
GPV (Lutheran)	1
	150

coalition partner, but the main argument has been between Socialists and Christian Democrats. The problem is that neither of the two major partners trusts the other. The Christian Democrats are deeply suspicious that the Socialists are trying to condemn them to a permanent minority role as junior coalition members. They believe that they were cheated in the distribution of portfolios during the formation of the previous coalition and tricked into accepting policies that were too Left-wing. They are determined not to let the same thing happen again this time, which is why, for example, they attach such importance to the precise number of posts each Party should have in the new Cabinet. It also means that they feel they must be particularly emphatic in ensuring that Christian Democrat policies are fairly represented in the new Government's programme, and in particular that Mr. den Uyl does not get away with including only Leftward-leaning Christian Democrat Ministers in his Cabinet.

But they are not the only ones with problems. Mr. den Uyl has to keep constantly looking over his shoulder at his own Left wing, which feels that the Socialists have already compromised too much with the Christian Democrats. Some of them feel that Dutch Socialism has been seriously tainted by the past four years of coalition and would prefer a spell in opposition to allow the party to restore a more militant image. They are even more sensitive about forming a new Centre-Right coalition now that the Christian Democrat bloc includes the Rightist Christian Historical Union (CHU), a Protestant party that was in vigorous opposition during the period of the previous Government. The May elections were the first occasion on which the three major Christian, Democratic parties, the KVP (Catholic), the ARP (Protestant) and the CHU joined forces to campaign as a united group.

All these difficulties contributed to the deadlock reached earlier this month when Mr. den Uyl finally admitted defeat in the attempt to form a new Centre-Left coalition. Since then other possible alignments have been canvassed, none of which looks very viable at first sight. The Liberals have called for a national government in which all main parties would be included—and probably D'66 as well. This, however, might prove even more tricky to put together than a coalition between only two of the main parties, and it is in any case not clear quite how serious the Liberal suggestion is. Other suggestions that have been made include an alliance between Socialists, Liberals and D'66, a Liberal/Christian Democrat coalition and a minority Socialist Government, provided it received the tacit support of a majority of the Lower Chamber. The difficulties facing a Christian Democrat / Liberal Government are discussed above, while a minority Socialist Government would be unlikely to receive enough support from the other parties. The other proposal, a Socialist/Liberal/D'66 alignment, is intriguing in that it represents the direction in which many people believe Dutch politics could, or should, develop in the years ahead. There is a growing body of younger Liberals who would like to bring the Party back from the Right-wing position to which it moved after the war, and adopt policies more like those of the British Liberal Party or the FDP in Germany. The idea is that such a move would pave the way for a coalition between the two secular parties, and steal the centre ground from the confessional Christian Democrats, who would be forced to the Right. The Socialists and Liberals would then become the natural governing coalition and the Christian Democrats the natural opposition. The general view in the Hague, however, is that it is still much too early to contemplate such a major realignment. The leadership of the Liberal party would not accept it, nor would the Socialist Left-wing, and the Liberals, who after all did well in May, will not want to abandon what looks like a winning streak. In the longer term, however, the move away from the religious parties to the secular looks likely to continue. By uniting in a single group the Christian Democrats managed not only to hold their own but actually add one seat to their combined total in May. But the trend among young people is away from religion and the Christian Democrats fared disastrously in May in the mock high school elections that always accompany Dutch national elections. Meanwhile, most of the small parties suffered severely at the hands of their bigger rivals at the latest poll, again confirming the trend towards "polarisation" between Right and Left-wing blocs that has been a conspicuous feature of recent years. That could be another ominous sign for the politically heterogeneous Christian Democrats.

THE ECONOMY

Strong guilder a mixed blessing

WILLEM DUISZENBERG, second half of 1976 and the first half of this year, a 2.1 per cent. confident man, who had fallen to 5.6 per cent. a more sanguine view of country's economic prospects than many of his colleagues. "If there is a Dutch recession," he said in a British radio interview, "it is a very thing to have." Dr. Duiszenberg is a firm believer in the merits of hard currencies. Understandable conviction is the long-standing, Dutch inflation of low inflation, a currency neutralised by its exports and relatively unemployment is infinitely liable to the inflation/ation cycle from which's have found it so hard to e. It is true that the Dutch, with id of natural gas, have had inviable experience of exed growth and steadily real incomes over the last er of a century. But it is true, as Dr. Duiszenberg l be one of the first to wledge, that the future is to be far more difficult, hat the continuing strength guilder is one of the main reasons why. The guilder's escalation and escalating wage have squeezed Dutch coms to the point at which are finding it more and difficult to compete on their own domestic market. Many economists doubt her the country will be able the full advantage of any upturn in world trade, an ing prospect for a country depends on trade for over its national income. There are some ominous ing the burdensome wage and social security costs that are crippling Dutch competitiveness. The Central Planning Bureau's

BASIC STATISTICS

Area	14,718 sq. miles
Population	13,77m.
GNP	Fls.233bn.
Per capita	Fls.16,910
Trade (1976)	
Imports	Fls.107bn.
Exports	Fls.106bn.
Imports from U.K.	£1.5bn.
Exports to U.K.	£2.4bn.
Currency: guilder	£1=Fls.4.396

contribution to the deal was intended to form part of a Fls.2.5bn. economic package, the broad outlines of which were agreed by the prospective coalition partners (Socialists, Christian Democrats and the smaller progressive D'66) during their Government-forming negotiations in August. Now, however, the composition of the new Government is once again in doubt, the details of the package have not been settled and the question of its size has been reopened. But the unions will want to know the details before they agree to settle their wage claim. Under the package as originally envisaged the Government would have made Fls.1.5bn. available for aid to investment and job creation and Fls.1bn. for tax and social security relief. The strategy involved zero growth in real incomes in both 1978 and 1979, and only modest growth in the two following years. In each of the four years 1978-81 (the Government's prospective term of office) Fls.1bn. would be cut from projected tax increases, still leaving them on a rising path, and a matching Fls.1bn. would be taken off public spending. The Christian Democrats managed to insert an understanding that public expenditure would be cut by a further Fls.3bn. if the economic situation required it. Other targets were to reduce inflation (officially estimated at 6.5 to 7 per cent. for this year) by one percentage point per year and bring unemployment (currently just under 6 per cent.) down to under 4 per cent. The Ministry of Finance calculates that such a package would add between 0.5 and 0.75

per cent. to the growth rate of 3 to 3.5 per cent. it is predicting for next year. But banking and business circles regard the official growth forecast as optimistic, and would like to see a bigger package more orientated towards the reduction of industry's tax and social security burden. Private estimates put next year's growth rate as low as 2 per cent, leaving virtually no room for the private sector to expand. Industry is also most unhappy about plans to switch investment incentives from tax rebates to subsidies. It fears that the conditions attached to subsidies—job creation, location in development areas—will outweigh any benefits of the new scheme. On this point, the employers have little sympathy for the unions who regard job creation and regional development as major priorities. Generally, however, the unions understand and sympathise with private industry's plight. They accept the need for business to rebuild profit margins and regain competitiveness, and they do not think that nationalisation is automatically the answer to industrial problems. The general climate of co-operation between Government, unions and employers has for years been one of the foundations on which Dutch prosperity has been based. As the going gets tougher there is as yet no sign of this overall sense of solidarity cracking, despite major differences on particular policies. If that is one aspect of the "Dutch disease," it is one that some other countries might not mind catching.

forecasts are based on a zero increase in unit wage costs next year, and the unions have already in principle accepted nil growth in real incomes in 1978. This would be achieved by a wage increase to match the inflation rate plus an extra 1.5 per cent. from the Government in the form of tax and social security rebates. Without the extra 1.5 per cent, the average worker's purchasing power would decline as a result of rising taxes, rents, gas prices and national insurance premiums. If all goes well the bargain struck by the end of the year in the major series of annual wage negotiations now getting under way. But the continuing Government crisis is threatening to throw a heavy spanner in the works. The Government

Report volume between The

R.D.

R.D.

THE NETHERLANDS II

EUROPEAN POLICY

A close relationship

A PROMINENT Dutch Socialist was recently asked by a foreigner if there were not really some people in the country opposed to the Common Market. "Yes," came the reply, "those who believe in suicide."

To most Dutch people, it is inconceivable that the Netherlands should do anything other than seek the closest possible relationships with its West European neighbours. The country is almost totally dependent on foreign trade for its livelihood and prides itself on possessing one of the world's most open economies.

Politically and psychologically, the first half of the 20th century was enough to convince the Dutch that the stability of their part of the world could only be assured by the closest possible co-operation between nations, in which the bigger powers would be bound by common rules and institutions to respect the interests of the

powerful partners to face the Arab oil embargo alone. It was and remains a source of great bitterness that Britain, a member for under a year, should have been one of the countries to break Community solidarity in late 1973. Through the 1960s, the Dutch had been the foremost among the "Friendly Five" in pressing the case for British membership. They did not want the Community to progress too far without the British having a say in its future direction; and, perhaps over ingenuously, looked forward to the day when an injection of British pragmatism and Parliamentary democracy would give the European venture a new lease of life.

Prize

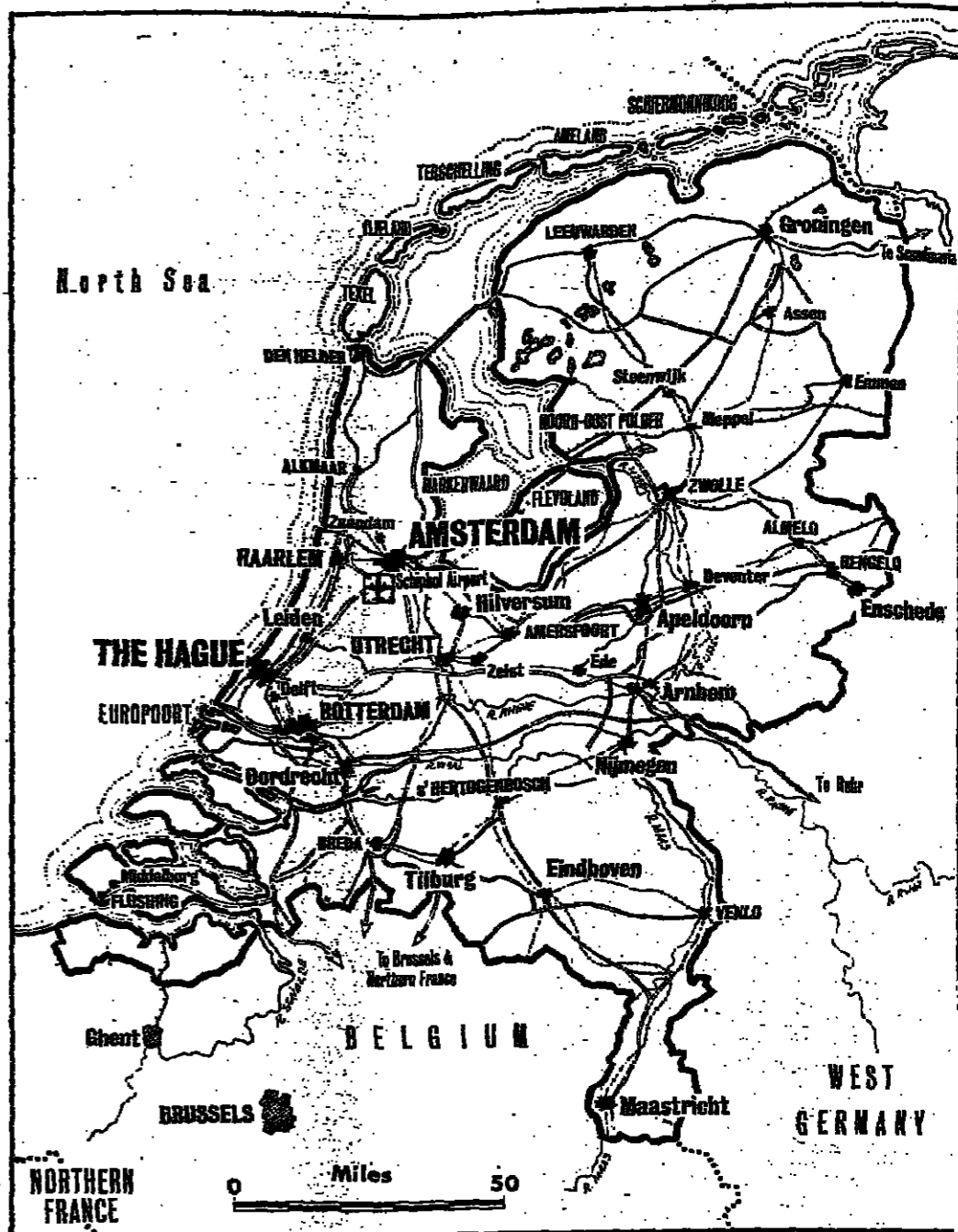
Now, when the Dutch read the latest opinion poll, they see that the U.K. wins the prize for the highest percentage of people

who think the Community is "a bad thing" (40 per cent.), up from just over 20 per cent. two years previously. And the main obstacle to direct elections to the European Parliament, to which the Dutch attach the highest importance, is the "mother of Parliaments" in Westminster. There is a sense of understandable disappointment in The Hague.

Few Dutch people would go so far as to wish seriously to revert to the old six-nation Community. Indeed The Hague is now welcoming the prospect of further enlargement to incorporate Greece, Portugal and Spain, even though it knows that the dream of a truly integrated Community must recede still further into the distance with the entry of the three Mediterranean candidates.

The Dutch are fully aware of the economic problems that enlargement will cause. They are concerned about the threat to

their own horticultural industry from Spanish fruit and vegetables and they do not want a vast increase in the amounts of Community money spent on farm products that they do not produce. Like the Germans, they are worried at the possible consequences of the application of the Community's rules of free movement of labour to the new Mediterranean members. The Netherlands is already crowded enough. Like most of the rest of the Nine, however, they feel that the political case for underpinning the new Mediterranean democracies by EEC membership overrides the economic difficulties. At the same time, Mr. Max van der Stoep, the Foreign Minister, would like the Community to make a declaration of commitment to democratic principles, and, it is hoped, move to greater use of majority voting in the Council of Ministers, before the new members join.



First there was only water. Then we turned the water into land. And now the land is suitable for your enterprise.

Before 1932 the heart of Holland was an inland sea formed as a result of an overwhelming flood, the St. Elisabeth's Flood, in the year 1418. Now the land has been reclaimed and forms an

enormous „polder“. Polder is the name given to a piece of land, which falls dry when surrounding the sea with dykes and pumping out the water.

These massive 40 feet high dykes - for which the Dutch are famous - enclose a huge stretch of open land. In the centre of this new land, called Flevoland, Lelystad is situated. Lelystad means „Lely's town“ named after the celebrated hydraulic engineer Lely, who planned the system of the great dykes and polders. Lelystad, a lively town with a young population and prosperous industries, lies in the heart of Holland at a short distance from important cities (see map).

Two years ago the first pile was driven into the ground for building a completely new town: Almere. In both Lelystad and Almere there is plenty of space available. Space for people.

Space for industry. Also for your enterprise.

Whether it is a factory, a department store or a laboratory. We can still offer you cheap building sites and good facilities. In other words: we did the pioneering, you may reap the benefits!

For further information about Flevoland and its opportunities, please mail this coupon in an envelope addressed to: Rijksoffis voor de Landsmeerpolders, Antwoordnr. 22, Lelystad, Holland.

Name: _____

Function: _____

Company name: _____

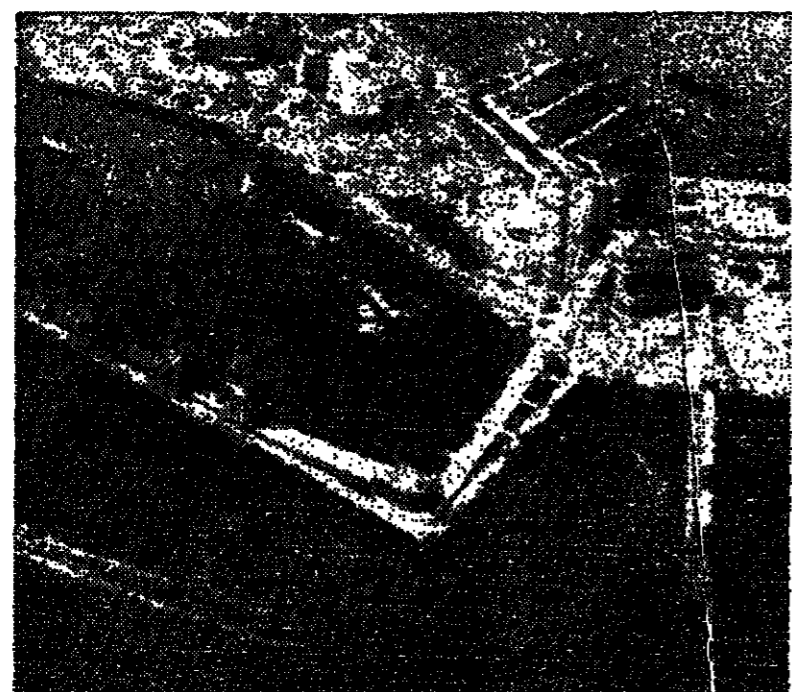
Address: _____

City: _____

Country: _____

Flevoland, the new heart of Holland.

G.E.M. - EUROPOORT, EUROPE'S GATEWAY FOR GRAIN VESSELS.



October 1977, a new highlight in the history of Rotterdam grain handling.

With G.E.M.'s Europortterminal, Rotterdam has become the only port in Europe able to accommodate grain vessels of up to 200,000 tons DWT.

A brand new terminal for storage and transhipment of grain, oilseeds and derivatives, with an effective handling capacity of 12 million tons per year.

Uniquely situated, at the entrance to the New Waterway, a central point for the distribution of food in Europe.

What can G.E.M. - Europort offer you?

- Simultaneous unloading of 3 vessels of 150,000 tons DWT.
- Maximum shipment on the outer side of the jetty: 200,000 tons DWT.
- Extensive facilities for loading of coasters, barges and inland craft.
- Remote computer controlled weighing.
- 30,000 ton storage capacity for grain.

Besides Europort G.E.M. operates two unloading terminals at Rotterdam Botlek and Chemenhaven dock with an annual capacity of over 10 million tons of grain, oilseeds and derivatives.

The Botlek terminal, which has a short-term storage capacity of 80,000 tons, can handle vessels of up to 120,000 tons DWT. The Chemenhaven terminal, especially equipped for unloading derivatives, can accommodate vessels of up to 30,000 tons DWT. At Maashaven dock, G.E.M. runs a 80,000 ton silo for long-term storage.

Last but not least G.E.M. operates over 20 floating elevators throughout the whole Rotterdam port area.

gem SINCERELY yours.

P.O. Box 5496 Rotterdam

Although they know it can only be a long-term goal, the Dutch remain attached to the ideal of a federalist Europe, run by strong supranational institutions. When Mr. Roy Jenkins, the Commission President, was first denied an invitation, and then only grudgingly received at the seven-nation London summit earlier this year, it was the Dutch who complained the loudest. The Dutch simply do not trust the bigger countries to look after Community interests, particularly when they go into a huddle with the Americans, Canadians and Japanese. The same sentiment makes the Netherlands deeply suspicious of moves to establish some kind of "directoire" composed of the largest Community members, as first privately suggested by General de Gaulle to the British Government in the "Soames Affair" of early 1969.

It is not, of course, pure idealism that inspires Dutch European policy. As so often in the Netherlands, moral support for an issue happily tends to overlap with a hard-nosed assessment of national interest. The Dutch need the Common Market to ensure that barriers are not placed in the way of their exports: they know that their voice will be better heard inside common institutions than outside them, and

they are fully aware of the Community's economic weight in world trade and financial decision-making. They do not doubt that they have an extremely well out of the Community's Common Agricultural Policy, and when it comes to the need to defend a national interest in the Council of Ministers, the Dutch bargain as toughly as anyone. They have been known, for instance, to hold up the start of important trade negotiations over a matter of a small seasonal reduction in the Community's tariff on imported cereals. At one point in the British entry negotiations they are said to have privately offered to make concessions on New Zealand dairy products in exchange for landing rights for KLM in Hong Kong.

The coincidence of principle and interest is a major factor behind the lack of controversy over the Community. It is true that doubts have on occasion been raised. A Socialist member of the European Parliament, Mr. Arie van der Heek, has recently been taking the line that European integration is following a capitalistic path and should be slowed down. He has received some support from the Party's Amsterdam branch. But his campaign has faded following a strongly pro-European speech at the recent Party Conference by Prime Minister Joop den Uyl, the Socialist leader, and enthusiastic backing for the negotiations they are said to have privately offered to make concessions on New Zealand dairy products in exchange for landing rights for KLM in Hong Kong.

The coincidence of principle and interest is a major factor behind the lack of controversy over the Community. It is true that doubts have on occasion been raised. A Socialist member of the European Parliament, Mr. Arie van der Heek, has recently been taking the line that European integration is following a capitalistic path and should be slowed down. He has received some support from the Party's Amsterdam branch. But his campaign has faded following a strongly pro-European speech at the recent Party Conference by Prime Minister Joop den Uyl, the Socialist leader, and enthusiastic backing for the negotiations they are said to have privately offered to make concessions on New Zealand dairy products in exchange for landing rights for KLM in Hong Kong.

THE THIRD WORLD
A strong commitment

MR. JAN PRONK, 37-year-old Minister for Development Co-operation, is one of The Hague's most controversial political figures. Raised a Calvinist, he now pursues his ideological commitment to the Third World with the same proselytising fervour with which his forebears practised their religion. From the Right and Centre of Dutch politics, he is seen as a dangerous left-wing idealist intent on selling out his country's interests to developing nations, and far too prone to favour Marxist-leaning regimes. Even inside his own Socialist Party he is often criticised for arrogance and high-handedness. Nobody, however, disputes that he is one of Europe's leading experts in his field.

During the most recent throes of the Government crisis it has looked increasingly unlikely that he will retain his portfolio in the new Cabinet. Such are the complexities of Dutch coalition-forming that there is still an off-chance that he may do so. But for the moment he is planning to return to the back benches to harry his successor. Whoever it may be, the new Minister can hardly be anything other than to the right of Mr. Pronk.

cutting off aid to developing countries where individual freedoms are violated only as a last resort. In some cases the aid really need help (here, for example, the strength of its balance of payments is taken into account), and it must have a social and political structure that makes it possible for aid to reach the poorest people.

Mr. Pronk's new policy did not mean abandoning the "target country" concept. In

- TARGET COUNTRIES FOR DUTCH DEVELOPMENT AID**
- Bangladesh
 - Colombia
 - India
 - Indonesia
 - Kenya
 - Pakistan
 - Peru
 - Tanzania
 - Tunisia
 - Upper Volta
 - Cuba
 - Egypt
 - Jamaica
 - North Yemen
 - Sri Lanka
 - Sudan
 - Zambia
 - Surinam
- Surinam has special status as a recently independent colony.

deed, he created bitter controversy by adding Cuba to the list - he was accused by the Right of at least indirectly helping to finance the intervention by Cuban troops in Angola. But in allocating aid he prefers to assess the project in question directly rather than use the traditional target country criteria. The result has tended to be an increase in aid to poor countries not on the target list, and Mr. Pronk's general view is that the major part of the annual increase in the aid budget should henceforth be directed towards non-target destinations.

In his four years in office, Mr. Pronk's aim has been to reorientate Dutch aid policies so as to provide direct help to the poorest people in recipient countries rather than stimulate general economic growth. The change meant less help for big infrastructure projects, and much more for basic education, health, housing and subsistence farming. Small industries were preferred to large.

The switch had important implications for the Dutch practice

of selecting "target countries" on which to concentrate the aid effort. To qualify, a country must fulfil three criteria: it must be genuinely poor, it must really need help (here, for example, the strength of its balance of payments is taken into account), and it must have a social and political structure that makes it possible for aid to reach the poorest people.

Mr. Pronk's new policy did not mean abandoning the "target country" concept. In

It is this last point that Mr. Pronk uses to defend his decision to give medical aid to Cuba. The contacts established through aid make it possible for the Dutch to bring up matters like the political prisoners in Fidel Castro's jails and Mr. Pronk has indeed gone so far as to demand that the Netherlands would never finance illegal activities or go against a government's express wishes. This, he says, "would make us a Leftist CIA." Nevertheless, if a government refuses the financing of a worthwhile project it will not get as much support from the Netherlands in future as it might otherwise have done.

Dialogue

Second, he maintains, it is not interference because it is not one-sided. In return he invites developing countries to criticise the performance of the industrialised countries in the North-South dialogue on the New International Economic Order. That, of course, is something the Third World already does with great frequency. The beauty of Mr. Pronk's position is that it is not usually the Netherlands but the more "hardline" Western countries that are the targets of the developing countries' attacks.

On most counts, the Netherlands has probably shown itself the most active Western sympathiser with the developing countries' demands for the New International Economic Order during Mr. Pronk's term

of office. Not only do the Dutch have a strong pro-Third World line in international negotiations, they also share top honours with Sweden in the league of Western aid donors. For countries last year devoted 45 per cent of their GNP to official development assistance. Dutch officials say they are about to overtake the Swedes. Together with Norway, in this place, the Netherlands and Sweden are the only three Western nations to have an official aid of a minimum 0.7 per cent of GNP. Britain, for example, was at 0.58 per cent last year, the US at 0.28 per cent and Japan at 0.20 per cent.

The Dutch aid programme enjoys a remarkable degree of popular support. Trade unionists sometimes complain that the Government is encouraging industrial development in low wage countries at the expense of Dutch jobs. They are told it is in their own long-term interest that new overseas markets be built up for Dutch exports - an argument they do not usually accept. Even the conservative Liberal Party which kicked up such a fuss over Cuba, does not say the aid effort should be reduced, merely that there should not be further big increases. Mr. Pronk's successor will almost certainly change the style and possibly the direction of the Dutch aid effort - but the fundamental Dutch commitment to promoting overseas development will undoubtedly survive his departure.

مكاتبنا في لندن



The Dutch are dredging, constructing new dikes and harbours all over the world.

Five of the world's biggest companies are Dutch. Dutch tugboats tow ships safely over the five oceans.

The first continental airline to New York was Dutch. Forty percent of all transport in the European Common Market goes via the Dutch.

Holland is too small for the Dutch.

Does it surprise you then that a Dutch bank, the ABN Bank, has branches in almost every financial and trade centre in the world?

LD
ment

The Dutch are globe trotters. They have to be, if their small country is to mean anything in the world. They have been doing, transporting and trading in foreign lands for centuries.

So has the Algemene Bank Nederland in 40 countries on the five continents. Supporting local as well as international banking needs. They know the right people, the languages, the markets, due to their 150 years of international business and banking experience.

Everywhere the Algemene Bank Nederland can offer you the same service

based on the support of their head office experts in Amsterdam and their strong financial position.

Apply for the brochure "The international network of the Algemene Bank Nederland".

ABN Bank, Dept. C.B.K.,
Vijzelstraat 32, P.O. Box 669, Amsterdam,
The Netherlands. Telex 11417. Telegraphic
address: Genbank.

London, Chief Office, 61, Threadneedle Street, EC2P 2HH,
P.O. Box 503, telephone (01) 628 4272, telex 887366.

Manchester, Pall Mall Court, 61, King Street, M2 4PD,
telephone (061) 832 9091, telex 668469.



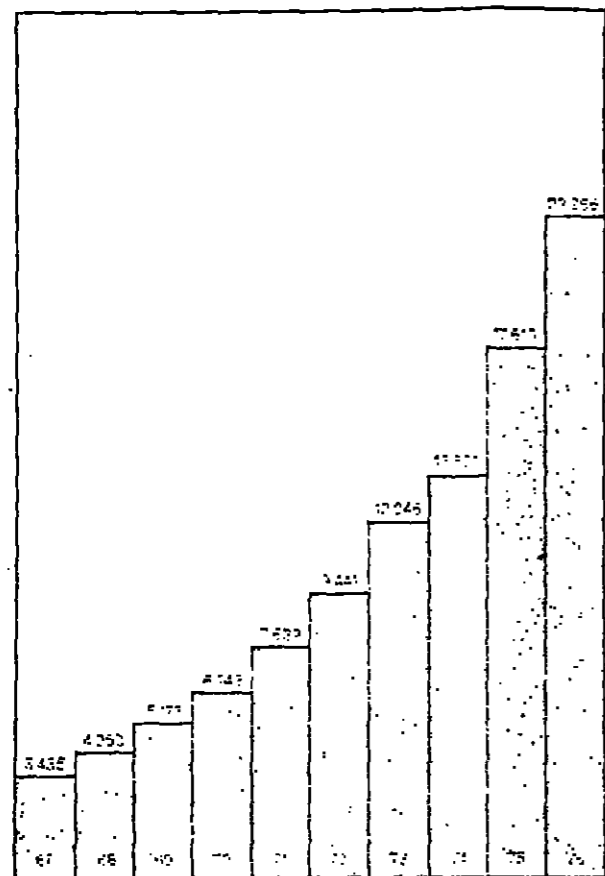
ABN Bank

The ABN Bank has offices and affiliations in: The Netherlands, Ireland, Great Britain, Belgium, France, Federal Republic of Germany, Switzerland, Gibraltar, Italy, Greece, Turkey, Netherlands Antilles, Lebanon, Saudi Arabia (Albank Alsaudi Alhollandi), United Arab Emirates, Bahrain, Iran (Mercantile Bank of Iran and Holland), Pakistan, India, Malaysia, Singapore, Indonesia, Hongkong, Japan, Morocco (Algemene Bank Marokko S.A.), Kenya, U.S.A., Canada, Netherlands Antilles, Suriname, Venezuela, Panama, Australia, Mexico. Operating under the name Banco Holandés Unido in: Argentina, Uruguay, Paraguay, Brazil, Perú, Ecuador, Colombia.

When doing business in Holland, use the bank that knows the business inside out.

Get in touch with NMB. The bank that knows the business inside out.

NMB BALANCE SHEET TOTAL (in millions of Dutch guilders)



	(in millions of Dutch guilders)
As at 30 June 1977	
Balance Sheet Total	24,840
Deposits	23,544
Debtors	13,785
Liabe Capital	938

We will place at your disposal our network of 450 branches established in all commercial centres of Holland.

NMB Bank, your contact for gold, coin, foreign exchange & banknotes, eurodeposits, eurocurrency loans, domestic and international securities operations and all international banking services.

As a member of the Inter-Alpha Group of Banks we have joint representative offices in Hong-Kong, Singapore, Tokyo, São Paulo and Teheran. Additionally there are NMB representative offices in New York, São Paulo and Beirut.

NMB Bank has a full branch office and jointly owns a Trust Company and a Finance Company in Curacao, Netherlands Antilles.

NMB BANK

NEDELANDSCHE MIDDENSTANDBANK N.V.

Eduard van Beinumstraat 2, Amsterdam.

For eurodeposits and foreign exchange: telephone: 020-5433184, telex: 14216 A nmba nl.
For foreign banknotes, gold and coin: telephone: 020-5433658, telex: 14034 nmbno nl.
For securities transactions and issues: telephone: 020-5432985, telex: 12009 NMB S NL.

THE NETHERLANDS IV

MINORITY GROUPS

A need for tolerance

THE NETHERLANDS has a worthy reputation for being a tolerant and well ordered society. But influxes of cultural, linguistic and ethnic minorities since World War II have imposed serious strains on it. Some judge the change to have been even more sudden. Professor Andre Kobben of Leyden University, a leading expert on minority problems in Holland, says that "from being a very homogenous country we have in the last 15 years become a multi-ethnic society." He puts the present proportion of those of non-Dutch origin at between 5 and 6 per cent of the total population.

The one successful absorption goes further back than 15 years and dates from the arrival of some 300,000 so-called Eurasians after Indonesia (the former Dutch East Indies) won its independence in 1949. Mostly of mixed blood, they had formed the backbone of the Dutch colonial administration, even more so than the Anglo-Indians who ran the railways in British India, and of course as such were largely unacceptable in the new Indonesia.

Not that they wanted to stay. Though most had never seen Holland, all had relatives and cultural ties there. With a wide variety of skills, they arrived in Holland at a time in the early and mid-1950s of full employment. A warm Dutch welcome helped assure their speedy integration, and Mr. Gerard Ebbeling, who heads the Minorities Department of the Ministry of Culture, Recreation and Social Welfare at the Hague, reckons that the Eurasians no longer pose a problem because they no longer form an identifiable separate community.

Shattered

This early success, Professor Kobben suggests, made the Dutch feel slightly smug about the racial and cultural problems of countries like the U.S. But any complacency on this score has now been thoroughly shattered by the series of terrorist acts in the last three years by a few members of the 35,000-strong South Moluccan community (also from the East Indies).

The most recent was the double hijacking in northern Holland last May of a school with 105 children held hostage and of a nearby train with some 80 adult hostages. The children were happily released unharmed after four days, but the train siege ended bloodily after three weeks with Dutch Marines storming the train and the deaths of six of the teenage Moluccan hijackers and two of the hostages.

This latest tragedy has probably come close to leaving a lasting sense of bitterness between the Dutch and South Moluccans, and in the latter community at least, a great sense of confusion about their aims and the best way to achieve them. The fact that some 8,000 Moluccans attended the funeral of the dead hijackers in Assen is not taken by the Dutch authorities as conclusive endorsement of terrorism but merely as an expression of their strong communal spirit.

It is hard not to think of the Moluccan aims as totally unrealistic, but they can be simply stated — the creation of an independent republic in the South Moluccan Islands, independent of Indonesia, coupled with the belief that there is something that Dutch Governments can do to bring that about.

The Moluccan problem is a classic post-colonial tragedy. Largely converted to Calvinism by the Dutch, the Moluccans joined the Dutch colonial army in Indonesia and fought with the Dutch vainly to suppress the Indonesian rebels. Promised some sort of independence for their services — a promise the Dutch were in no position then or now to make — the Moluccans eventually landed up in Holland with the belief that one day they would return to their homeland.

That belief has made them unwilling to regard Holland as much more than a transit camp, and thus unwilling to integrate into Dutch society. Housed in camps (some of them former German concentration camps) in the early 1950s — partly because of the then housing shortage but mainly because they wanted to stay together — some of them are still there. Many have now moved into brand-new housing estates like the one in Bovenmilde where the school was seized, but they have almost always moved together. Only a quarter of the Moluccan community has dispersed into Dutch society.

The South Moluccans are the one minority in Holland that has "consciously" chosen isolation. Even so, this has not prevented a certain disintegration of their own community structure. The traditional religious patriarchy of the Moluccans — under councils of elders backed



A group of South Moluccans in Assen on the day of the funeral of the six Moluccans can extremists killed during the hijacking of a train last June.

with a strong dash of adopted Calvinism — no longer holds in national average. In addition, there are high concentrations of Dutch society. This of course also implies an equal effort by these workers to learn Dutch and so on.

The high level of social security and unemployment benefits (80 per cent of earnings for the first year out of work, and 70 per cent for the second and third years) acts as a considerable cushion for minority problems, as Mr. Ebbeling acknowledges. But Dutch society is not free of racial discrimination. In any other, Dutch law would penalise for common discrimination in housing, work or services. But Mr. Ebbeling feels that the problem is based outside the law, and that making some forms of discrimination illegal, subtle forms are therefore "legalised". Effective integration depends less on the penal code than on the Dutch living up to its reputation of theirs — tolerance.

The general feeling of Dutch Governments seems to be that there is little more that can be done on the social level to help the Moluccans unless they help themselves, and that this will no happen until they give up their dream of their former republic — a dream surprisingly shared even by those too young to have even seen the Indonesian archipelago. This seems to be the line along which the mixed 10-man Dutch-Moluccan Commission (set up in 1974 and chaired by Professor Kobben) is working.

The first two aims of the commission, Professor Kobben says, are to institutionalise contacts between the Dutch and the Moluccans and so provide a "cushion" which interests clash, and to give the Moluccans some political influence. Three-quarters of South Moluccans do not have Dutch nationality (a deliberate choice) and so cannot vote. "To try to bring the Moluccans out of their shell, and make them realise that there are opportunities for them within the Dutch political system," the commission is working on a plan to give them a vote at least in local elections.

The third task of the commission is to try to set the historical record straight on the rights and wrongs of how the Moluccans were treated and what they were promised in 1949. The probable conclusion of this would seem to be that the Dutch were then, as now, powerless to influence events in Indonesia.

Frosty

Fourthly, the commission is trying to establish, partly through contacts with a somewhat frosty Indonesian Government, how much autonomist or separatist feeling there is now in the South Moluccan Islands among the people that stayed behind. Moluccans in Holland have always contended that such feelings exist; others are not so sure.

Put bluntly, it would seem that no progress toward integration of the Moluccans into Dutch society can be made until their political dream is first undermined by fact and argument. The mixed commission may achieve this, or it may not. This may also be the message of a high-level interministerial report now in front of the present caretaker Government. But what is certain is that the Netherlands is not about to jeopardise its relations with Indonesia, or push again in the United Nations (it tried in 1951) for what it sees as the lost cause of Moluccan independence.

One-third of all Surinamers (Surinam is the former Dutch Guiana) live in Holland. But by comparison with the Moluccans, the 135,000 Surinamers cause few problems. This at least was the case with the early Surinamers who came to Holland to be educated or to work but not always to live. The big rush of permanent immigrants came in 1974/75 just before Surinam got its independence.

Often with few skills, this last influx immediately pushed the unemployment rate in the Surinamese community up to 12 to 14 per cent, and though it is now down to 10 per cent, Mr.

David Buchs

Bos Kalis Westminster international task force...



The winning of sand for the reclamation of single and multi-purpose islands...



Laying pipelines



Creating accessibility on land and in water...



Major Dutch offshore canal projects are undertaken by group on a combine basis.

Group's consolidated profit and loss account results in millions of Dutch guilders	1st half year		
	1977	1976	1975
turnover	740	630	550
turnover completed contracts	565	485	415
gross profit on trading	71.7	55.3	55.6
depreciation	29.3	35.5	28.9
interest	(11.3)	(3.5)	(20.4)
gains	6.6	6.7	4.9
income from associated companies	5.7	2.3	4.8
profit before taxation	26.8	18.6	15.1
taxation	5.4	2.4	2.1
profit	21.4	16.2	13.0

On the basis of the present outlook for 1977 Bos Kalis Westminster expect that the net profit and the cash flow for the full year will be 10 per cent higher than in 1976, based on conservative estimates.

The last two decades have shown a boom in the Bos Kalis Westminster story. Its rapid growth has led the Group into many new ventures which are no longer confined to its traditional operating areas. A realistic acknowledgement of the importance of home markets and a well-balanced financial policy are the corner stones of such diversity. The latest developments have led Bos Kalis Westminster to a scheme for the

offshore winning of manganese in the Pacific, to national pipeline networks for natural gas and crude oil in Yugoslavia, to artificial energy islands north of Alaska and Canada, to dredging, land reclamation, rockblasting, tracklaying and construction in Qatar, Nigeria, Western Germany, the Netherlands, Belgium, United Kingdom, Ireland and Australia.

bos kalis westminster group nv

Rosmolenweg 20 Papendrecht Holland tel. (078) 5 00 77 telex 21012

U.K. offices: Westminster House Blacknest Alton, Hampshire GU 34 4PU tel 04 204 3381 telex: 856395. 8

مكازم التحصيل

REGIONAL DEVELOPMENT

Growing need for investment

HE casual eye, it may seem surprising that a country as compact as the Netherlands with such a high average of prosperity and progress...

ments, especially in depressed areas. Three categories of special allowance would contain a regional emphasis. One provides for a special premium for buildings erected in areas designated as having "great socio-economic problems"...

pel the Government to trim back significantly the scope of its new regional proposals. Whatever the outcome of its dealings with Brussels, the effectiveness of the Government's general approach to regional problems has yet to be proven...

rent-subsidised. A third of these are reserved for lower-income groups, who may also buy their own homes if they wish to do so through a system of guaranteed loans and graduated grants.

Response

In response to this situation and to pressure from the trades unions for more energetic action, the Government announced plans at the beginning of this year for a significant expansion of State aid to investment, both at the national level and in specified poorer regions.

Beyond this, the regional investment premium scheme envisages a system of aid for almost all regions apart from the western Netherlands. This would be broader, both in its geographical scope and in the size and nature of its resources...

the Commission has challenged the proposals on three main grounds. The first is that the 25 per cent maximum pre-

Projected unemployment was estimated at a quarter of a million, 55,000 more than previously expected, and even this figure was subsequently criticised as being "too optimistic." The public debt, at 5.2 per cent of the national income, was well over the maximum considered acceptable and 2 per cent over the "absolute" limit.

THE WELFARE STATE Under pressure

Guy de Jonquieres

TAXES AND social security what they pay for, as they have known for their excellent treatment of the mentally and physically handicapped, as well as their elderly.

Largesse

Housing is another major area of government largesse (7.6 per cent of the budget). Adequate housing for all has been officially declared a matter of public right and 76 per cent of all new-built homes are

Salaries

It may also mean a great deal more. There is talk of cutting the salaries of public employees. These are based on the going private sector rate and it is argued that in view of the extra cushions that go with the job, benefit payments from the minimum wage instead of allowing them to rise together, as has been the case.

..... And then we specialised on heavy trucks.

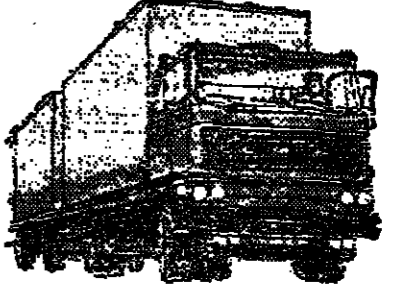
A question of foresight!

Exactly. It wasn't by accident that we chose to specialise on trucks in the heavier categories. First, we made a thorough survey of the market, then, we made our choice. We are, of course, still carrying out market research, day-in, day-out, keeping our finger on the pulse.

control are what count at DAF Trucks. That's what it's all about. Not just in our traditional European market, but also in those countries with growth potential. Just look at our activities in Africa and the Middle East. We are continually looking beyond the front of our trucks, endeavouring to make the widest possible use of our know-how and production potential.

terminal tractors, military vehicles, complete engines and axles. All this makes us the most versatile manufacturer in Western Europe. Are we satisfied with this? No. We cannot afford to rest on our laurels, we know that the success of tomorrow is gained by looking ahead today. We are doing just that. A question of foresight.

DAF Trucks



For further information DAF Trucks, Sales Promotion and Advertising Department, P.O. Box 1055, Eindhoven, Holland. Tel. 040-149111. For the United Kingdom: DAF Trucks (GB) Ltd, Thames Industrial Estate, Marlow, Bucks SL7 1LW. Tel. 06284-6955.

Van Lanschot bankers in Holland since 1737.

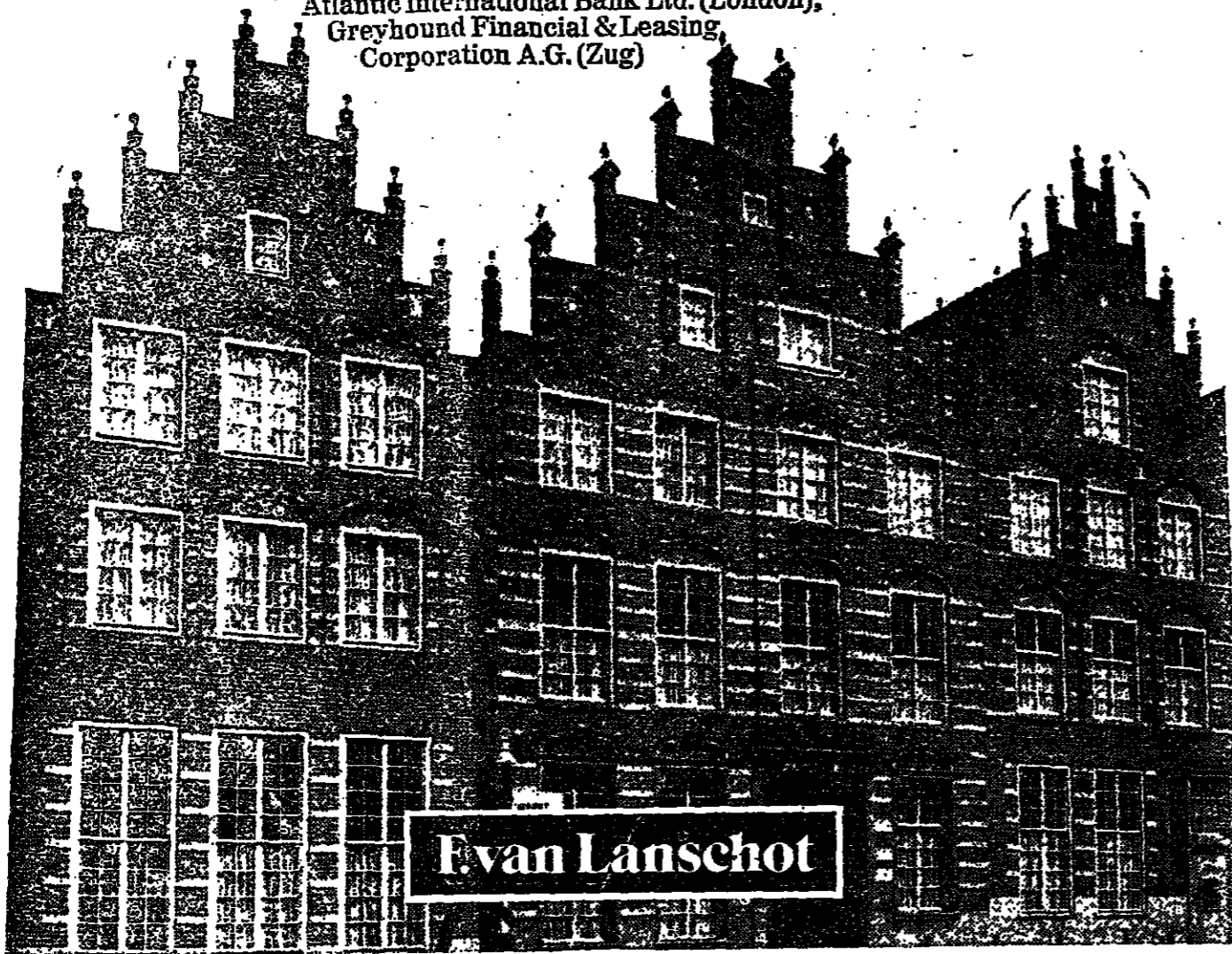
Associated with National Westminster Bank Ltd.

Specialists in all aspects of: Foreign exchange and Euro-deposits, Corporate Finance, Short and medium term lending, Private placements and Bond dealing.
Head office: Hoge Steenweg 27-31, 's-Hertogenbosch, The Netherlands, telephone (073)-153911, telex 50122/50171/50176.

London Representative: Mr. J. Bosma, 22 Old Broad Street, London EC2N 1DW. Telephone (01) 638 4724. Telex 885361.

Branches: 13

Affiliated Institutions: Wobaco Holding Company S.A. (Luxembourg);
Etablissement Financier de Placements S.A. (Genève);
Atlantic International Bank Ltd. (London);
Greyhound Financial & Leasing Corporation A.G. (Zug)



Van Lanschot

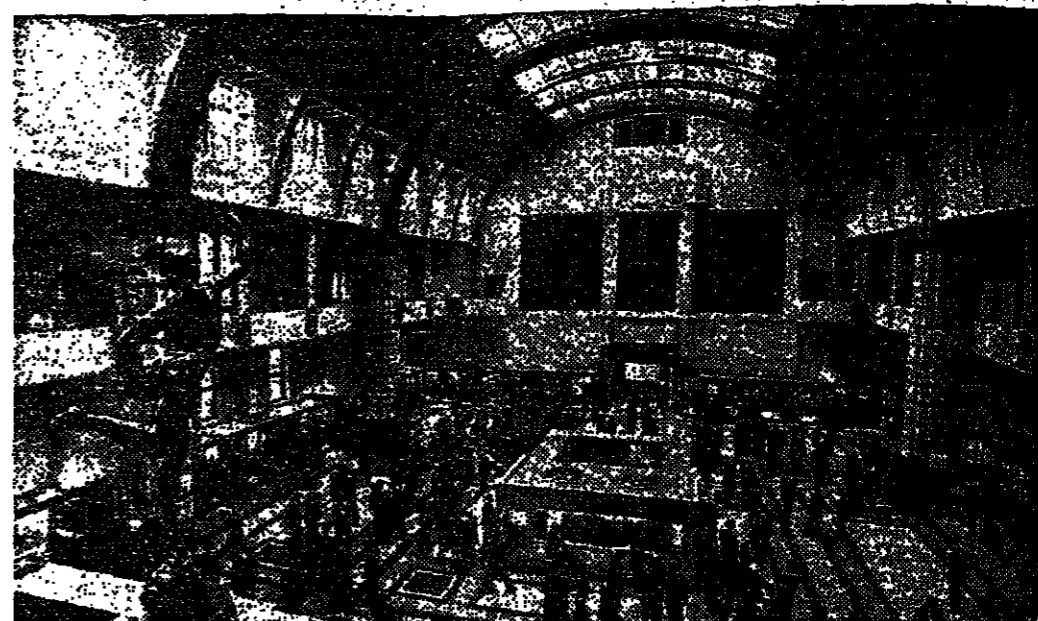
THE NETHERLANDS VI

STOCK MARKET

Ambitious venture

THE AMSTERDAM stock exchange is pressing ahead with plans to begin dealing in traded options despite growing doubts in the U.S. about some aspects of trading there. The European Options Exchange is due to begin operations on April 4 next — 17 months after detailed work began on the project.

Taking the Chicago Board of Options Exchange as a model Amsterdam has drawn up the first truly international stock exchange operation in Europe. Trading is expected to begin in between 15 and 20 options of leading stocks from Belgium, France, Germany, Holland, Britain and the U.S. The exchange hopes to be trading in 80 stocks, the maximum capacity of its newly-constructed trading floor, by the end of its first year. Likely Dutch candidates for the first stocks to be traded are Royal Dutch Petroleum, Unilever, Philips and Heineken.



The trading floor of the Amsterdam Stock Exchange: plans for an options exchange are well under way.

Options will be for 100 shares, although the earlier decline in sterling means U.K. shares will be in units of 1,000. Options will normally be traded in the currency of the underlying share to exclude some of the currency risks involved. The language of the trading floor will be English.

Membership of the exchange, which is now being fitted out in the commodities exchange building next door to the stock exchange proper, will be in four categories. Public order members must be members of a stock exchange in Europe or in the U.S., or else carry out substantial agency business in securities for a wide range of clients. They will be full exchange members and will be able to influence the policy and conduct of the exchange.

Plans to cream off "excess" company profits into a fund to be managed largely by the 1977 and the Government unions may prove even more of a headache for the exchange. The scheme has already been modified several times and may undergo further changes before it reaches the statute book but its general shape is clear.

The aspect which most concerns the exchange is the plan to list participation certificates in the fund on the exchange. Certificates can only be priced if there is a clear picture of the fund's asset value, which will comprise shares, share certificates and, where the share value cannot be determined, special "excess" profit certificates. Many of the companies issuing certificates to the fund, those in the BV or closed company form, are not required to publish full accounts. The association also feels that the two functions of the fund, to both hold and manage the certificates, should be split. It also feels that the unions will have too big a say in the management of the fund.

Association has condemned the 13.5bn. After peaking at 89.5 (1970 equals 100) in May the general average ANP-CBS index fell back steadily to the year's low of 86.3 in September.

Poor interim profit figures, particularly in manufacturing industry and the long-drawn out Government coalition talks depressed share prices. Government financing needs are expected to rise to Fls.12.8bn. in 1977 from Fls.9.45bn. in 1976. The Government plans to ease the tax and social premium burden may add to these figures although a higher level of economic activity could increase tax income.

The medium-term economic forecast by the Central Planning Office indicates real Gross National Product will rise by 3 per cent next year, the same as the revised 1977 rate, based on a strong recovery of exports. But Dutch exporters are already saying these forecasts are over optimistic unless the Government takes steps to support them in their foreign sales effort.

The outlook for shares is gloomy that one Dutch investment weekly, *Relevances*, recently dropped its list of recommended stocks for active investors, taking the view that would do better to hold real cash than put it into the stock market.

But the picture is not so relieved. Black Banks, or *black banks*, insurance, construction and trading companies are doing well and Dutch industry as a whole is expected to prove its returns this year over 1976. The banking sector index is around its September high of 222.6, while the insurance sector is just at its September peak of 127.2. Dutch international companies and industrialists are around their August and September lows of 76.7 and 77 respectively.

Continuous

Market makers will make a continuous bid and offer market in their own options classes — with at least two market makers in each class. Floor brokers will work from order booths around the edge of the floor and will carry out orders for public order members or other floor brokers. The fourth category, clearing members, must be companies or firms registered under Dutch law and with offices in Amsterdam.

Members of the commission formed to supervise the setting up of the exchange are hoping for between 100 and 150 floor brokers and market makers and for at least 10 clearing members to get trading off to a good start. A recent trip to the U.S. for potential Dutch participants in the venture showed there is strong interest on both sides of the Atlantic.

But the project has its critics, who fear it will reduce activity on the stock exchange itself. The sceptics also doubt whether the exchange will be able to set up the electronic systems to collect and record prices and deals in time. A serious criticism is that the exchange has set its capital requirements too low for safety. The exchange's organisers reply that they deliberately want to appeal to the small trader.

Market makers, for example, are only required to have a minimum capital backing of Fls.25,000 while clearing members must deposit the same amount with the clearing fund. The organisers point out that clearing members must also have a net worth of Fls.500,000 and all potential members will be strictly vetted.

Amsterdam nevertheless seems set to become the European leader in a potentially very profitable field. The London stock exchange withdrew at first from co-operation with Amsterdam and in December 1976 finally dropped plans altogether for a fully-fledged market. A group of London jobbers and brokers now look as though they will get a more limited traded options market off the ground, possibly by next month.

But Amsterdam seems set to offer much more comprehensive facilities and, it is hoped, all-important links with the U.S. The Amsterdam exchange is still negotiating with the Dutch Finance Ministry for official approval for its plans. The Ministry does not foresee any major problems in giving the go-ahead but talks are continuing. The U.S. Securities and Exchange Commission's reservations about the way option trading has developed on the five American exchanges are not expected to delay approval in Holland.

The market in traded options will also have to come to terms with two new aspects of Government policy — a plan for capital gains tax affecting shares and other assets and for the controversial "compensating" or profit-sharing scheme.

Outline plans to tax capital gains on share dealings and on property sales were announced last July. The Stock Exchange

This reflects the increasing role of institutions on the exchange. These usually prefer to have fixed-interest paper in their portfolios. Bonds accounted for Fls.5.63bn. of the Fls.5.83bn. of new issues on the public market in the first nine months of this year. This compares with Fls.4.97bn. out of a total of Fls.4.97bn. in the whole of 1976.

Government bonds accounted for Fls.2.45bn. of the total in the January to September period this year, while the Bank voor Nederlandsche Gemeenten and the Nederlandse Waterschapsbank, raising loans for local authorities and for the water boards respectively, raised a further Fls.798m. of funds. Private sector new issues were Fls.2.29bn., although only Fls.336m. were for industrial borrowers. Foreign borrowings totalled Fls.281m. Only Fls.194m. worth of shares were placed on the market. The listing of the continental depository receipts (CDRs) of Thorn Electrical on November 8 last broke a long period in which foreign companies have shown little interest in an Amsterdam quote. Thorn was the first foreign company to seek an Amsterdam listing this year.

Market makers, for example, are only required to have a minimum capital backing of Fls.25,000 while clearing members must deposit the same amount with the clearing fund. The organisers point out that clearing members must also have a net worth of Fls.500,000 and all potential members will be strictly vetted.

Amsterdam nevertheless seems set to become the European leader in a potentially very profitable field. The London stock exchange withdrew at first from co-operation with Amsterdam and in December 1976 finally dropped plans altogether for a fully-fledged market. A group of London jobbers and brokers now look as though they will get a more limited traded options market off the ground, possibly by next month.

But Amsterdam seems set to offer much more comprehensive facilities and, it is hoped, all-important links with the U.S. The Amsterdam exchange is still negotiating with the Dutch Finance Ministry for official approval for its plans. The Ministry does not foresee any major problems in giving the go-ahead but talks are continuing. The U.S. Securities and Exchange Commission's reservations about the way option trading has developed on the five American exchanges are not expected to delay approval in Holland.

Market makers, for example, are only required to have a minimum capital backing of Fls.25,000 while clearing members must deposit the same amount with the clearing fund. The organisers point out that clearing members must also have a net worth of Fls.500,000 and all potential members will be strictly vetted.

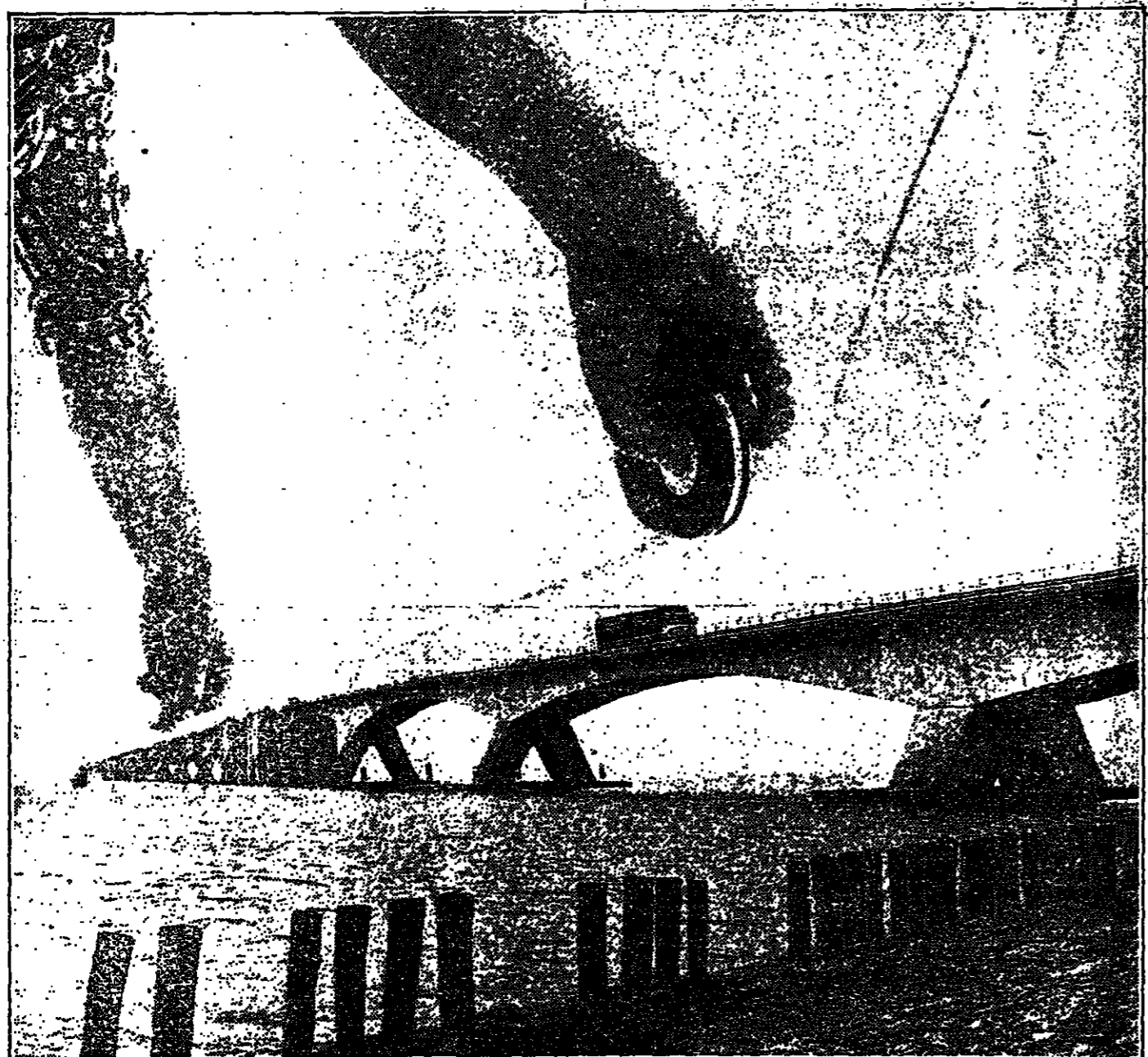
Amsterdam nevertheless seems set to become the European leader in a potentially very profitable field. The London stock exchange withdrew at first from co-operation with Amsterdam and in December 1976 finally dropped plans altogether for a fully-fledged market. A group of London jobbers and brokers now look as though they will get a more limited traded options market off the ground, possibly by next month.

But Amsterdam seems set to offer much more comprehensive facilities and, it is hoped, all-important links with the U.S. The Amsterdam exchange is still negotiating with the Dutch Finance Ministry for official approval for its plans. The Ministry does not foresee any major problems in giving the go-ahead but talks are continuing. The U.S. Securities and Exchange Commission's reservations about the way option trading has developed on the five American exchanges are not expected to delay approval in Holland.

Market makers, for example, are only required to have a minimum capital backing of Fls.25,000 while clearing members must deposit the same amount with the clearing fund. The organisers point out that clearing members must also have a net worth of Fls.500,000 and all potential members will be strictly vetted.

Amsterdam nevertheless seems set to become the European leader in a potentially very profitable field. The London stock exchange withdrew at first from co-operation with Amsterdam and in December 1976 finally dropped plans altogether for a fully-fledged market. A group of London jobbers and brokers now look as though they will get a more limited traded options market off the ground, possibly by next month.

But Amsterdam seems set to offer much more comprehensive facilities and, it is hoped, all-important links with the U.S. The Amsterdam exchange is still negotiating with the Dutch Finance Ministry for official approval for its plans. The Ministry does not foresee any major problems in giving the go-ahead but talks are continuing. The U.S. Securities and Exchange Commission's reservations about the way option trading has developed on the five American exchanges are not expected to delay approval in Holland.



Building a bridge? Let Stevin lend you a helping hand.

Stevin is international. A diversified contractor. An expert at designing and building bridges, tunnels, sluices and reclaiming land from the sea. Doing what Dutchmen have been so good at for centuries - only faster than ever before.

Years of international experience. With all specialists and technical know-how available. Any time. Any place in the world.

Whenever there are big plans for a new bridge, a new harbour, a new airport, a new hospital, pipeline or road, there seems to be always some-

one who asks: "Why not bring in Stevin?" Giants at home. Growing abroad.

Stevin Group Dredging and Reclamation
Civil Engineering
Roads and Asphalt
Pipelines
Housing and Construction

The turnover in 1977 amounts to \$ 750 million, of which about 60% has been realized abroad.

Stevin has offices in: The Netherlands, U.K., Belgium, W. Germany, France, Antilles, Brazil, Algeria, Gabon, Nigeria, Saudi Arabia, Bahrain, Qatar, U.A.E., Oman, Malaysia, Indonesia and Australia.

Stevin Group N.V., Kaap Hoornstraat 66, P.O. Box 9006, Utrecht, The Netherlands. Telex: stevi nl 40649, tel. 030 - 62 08 80.

مركز من الأعمال

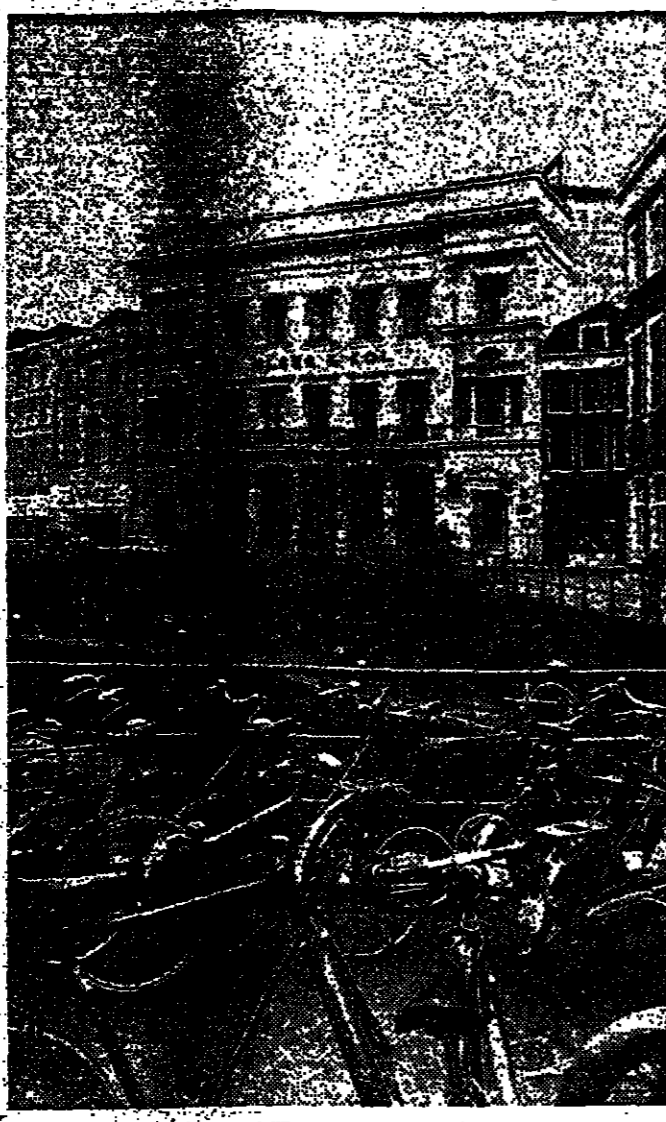
THE NETHERLANDS VII

BANKING

Growing competition

DUTCH State-owned and co-operative banking institutions are set to dominate banking in the near future. Following more than a decade of traditional universal banks—principally the Rabobank, the Post Office Bank (ABN) and the Giro Bank (Giro)—the new Post Office Bank (Post Office Bank) will have set the pattern for the expansion of banking services in the Netherlands.

The largest problem occupying the minds of Holland's banking and co-operative bankers is the fast-institutional merger for the setting up of a new Post Office Bank. The Finance Ministry has plans to merge the Post Office Bank, Giro and the postal savings banks into a single entity to expand the services to compete on traditional banking territory. Regardless of whether expanding the new Post Office Bank would include a merger of the Post Office Bank and the Giro, it would create the fourth largest bank in the country. The consolidated balance sheet total of the institutions at January 1, 1977, was Fls.22.5bn. compared with Fls.47.9bn. at the Centrale Rabobank and AMRO's Fls.42.1bn. The two institutions have a combined total of 6m. accounts and 10,000 employees. At the end of October, three months after Finance Minister Duisenberg's bill to set up the new Post Office Bank went into parliament, the general, co-operative and savings banks came up with a detailed plan for the proposed new bank. The Finance Ministry, say the banks, has not yet decided whether there are any gaps in the services offered by Dutch banks (which even extend to banking package tour holidays) and that there is any demand for an extension of the present Post Office and Giro banking facilities.



Vloer and Kol Bank, in Utrecht.

The Dutch banking world has received an infusion of new blood at top management level in recent months. Pierre Lardinois, formerly a Dutch Minister of Agriculture and best known as the Common Market Farm Commissioner, has become, at the age of 52, the Rabobank's new chairman. Holland's former Treasurer General Coen Oort, also decided at the age of 48 to move into commercial banking. He has joined ABN as a director, below management Board level, with responsibility for international financial affairs.

At AMRO bank, too, changes at the top are planned. The man who supervised the growth of the bank since the days of the merger in 1964 of the Amsterdam Bank and the Rotterdam Bank are also stepping down. Joint chief managing director Dr. Jan van den Brink will retire next March, and Dr. Christian Karsten will continue alone at the top until 1979. Dr. Karsten will then be replaced by current managing board member Onno Vogelzang who will have as his deputy Roelof Nelissen.

Tough

Meanwhile foreign banks have continued to come to Holland, further justifying the major Dutch banks' claim that competition is tough enough without the planned Post Office Bank. The most recent arrivals have been Societe Generale of Paris and the Hong Kong and Shanghai Banking Corporation.

Judged by the stock exchange performance banks did very well in the first nine months of this year and were exceeded only by insurance companies. The general ANP-CBS index showed a decline of 1 per cent. at the end of September compared with the end of last year. Banking shares were nearly 8 per cent. up on the same period, while insurance companies' shares rose more than 14 per cent. The major banks are all forecasting further increases in profits this year after rises in 1976 of above 10 per cent. But performance in the first half of the year was patchy. ABN reported a 12 per cent. increase in the net result, but at AMRO profit was unchanged on the same half of 1976. NMB's figures were delayed.

The major banks have all been increasing their issued capital by means of rights issues to fund further lending while remaining within the central bank's credit control limits. These curb discount lending which is financed by long-term borrowing. The banks publicly support the central bank's measures but privately are irked at the controls, which do not weigh so heavily on the mortgage banks, all of whose borrowing is long-term. Certainly mortgage lending has continued to expand at last year's high levels. The banks question the need for controls, which look like being continued into 1978, at a time when the economy is slack anyway.

By a Correspondent

Worried

They are also very worried at future Government moves to a powerful State bank through social reforms, on a basis of unfair competition. Their objections range from the obvious — that the new bank will start operating in offering commercial credits to business — the less weighty — that the new bank will use the longer Post Office opening hours to offer a Saturday morning banking service. The present working hours and conditions are shored in long standing wage agreements with banking personnel, who would object to working longer hours or who would press for the banks to employ more staff — at a time when the banks themselves are looking to automate their document handling.

The banks reject the Government's claim that there is insufficient competition in the Dutch banking world. The mergers in 1964 which formed the present AMRO and ABN organisations, and the absorption by these two banks in 1975 of Pictet, Pierson and Bank Mees and the subsequent competition with And's Batenburg, chair-

man of ABN and of the consultative college of joint banks, said. These mergers have stimulated other Dutch banks, notably the Rabobank, to fight more aggressively for business. He told a recent Press conference to launch the bank's attack on the Post Office Bank.

The commercial banks are also worried that the new bank will extend its deposit activities to compete actively for customers' funds. They want the new bank to restrict itself to offering deposit facilities only to the extent required by private customers. The banks see a conflict of interest in the Finance Minister overseeing the medium-term policy of the new bank and in his responsibility for general monetary policy affecting all banks. The day-to-day running of the Post Office Bank will be in the hands of a managing board, but this must present to the Finance Minister annually a rolling-over four-year policy statement which the Minister must approve. The Finance Minister's controls on mergers may also lead to a clash of interests, the banks fear.

Apart from gaining an advantage from having sole use of Post Office branches to carry out business, the new bank will be able to offer civil servant status to its employees. This would give them a different salary and pension structure from the commercial banks, which might lead to them losing staff.

Lloyds Bank Group in the Netherlands.

Lloyds Bank International, established in the Netherlands for over ten years, has a comprehensive knowledge of local conditions and can offer a full range of banking and financial services to companies wishing to do business in the Netherlands.

- Lloyds Bank International:**
 Herengracht 444-446, Amsterdam 1002. Tel: 26 35 35
 Schiedamse Vest 103, Rotterdam 3012. Tel: 11 0010
- Wholly owned subsidiaries:**
 Bax' Bank N.V. 26 Nieuwe Uitleg, The Hague. Tel: 62 43 81
 Gilissen Jonker N.V. (Stock Brokers) Herengracht 444-446, Amsterdam 1002. Tel: 26 35 35/24 78 39

For further information, please contact any of the above or our European Division in London.



LLOYDS BANK INTERNATIONAL
 40/66 Queen Victoria St. London EC4P 4EL. Tel: 01-248 8822
 A member of the Lloyds Bank Group

LBI, the Bank of London & South America and their subsidiaries have offices in: Argentina, Australia, Bahamas, Bahrain, Belgium, Brazil, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, Egypt, El Salvador, France, Federal Republic of Germany, Guatemala, Guernsey, Honduras, Hong Kong, Iran, Japan, Jersey, Malaysia, Mexico, Monaco, The Netherlands, Nicaragua, Panama, Paraguay, Peru, Philippines, Portugal, Republic of Korea, Singapore, Spain, Switzerland, United Arab Emirates, United Kingdom, U.S.A., U.S.S.R., Uruguay, Venezuela.



H. Albert de Bary & Co. NV.
 International commercial bankers at Europe's gateway

Amsterdam, Herengracht 450, phone 020-21 33 12
 Rotterdam, Westblaak 212, phone 010-14 43 11

THE NETHERLANDS—YOUR Foothold IN EUROPE

- The Netherlands — is industrially and commercially highly developed.
- has already welcomed many foreign enterprises.
- treats domestic and foreign firms in the same way.
- has an excellent infrastructure with direct access to Europe's most heavily populated areas.
- is Europe's gateway: Rotterdam is the world's largest port and Schiphol Airport is an important freight centre.
- has centuries of international experience.
- can supply expertise and skilled personnel.
- provides generous financial incentives for new establishments.

Prospective investors can obtain all necessary information from:
MINISTRY OF ECONOMIC AFFAIRS

Industrial Projects Division,
 Beuzidenhoutseweg 30,
 The Hague, The Netherlands.
 Phone: 070-814011.

Address in the U.S.A.:
 Industrial Commissioner of the Netherlands
 in the United States,
 One Rockefeller Plaza, NEW YORK, N.Y. 10020.
 Phone: (212) 246-1423.



Ideally Suitable For

Industrial and Commercial

Activities

Address in Japan:
 Industrial Commissioner of the Netherlands in Japan,
 Third floor, Toranomon Yamakatsu Building,
 No. 24, 3-chome, Fukucho, Minato-ku, TOKYO.
 Phone: (03) 434-2557.

THE NETHERLANDS VIII

CAPITAL MARKET

Curbs on credit



The foreign exchange dealing room in Amro Bank, Amsterdam.

THE MAJOR question-mark hanging over the Dutch capital and money markets concerns the likely impact of the central bank's credit controls. The latter announced limits on the growth of bank lending as far back as May but these have yet to have a noticeable impact on domestic interest rates.

The bank's curbs are aimed at slowing the recent sharp growth of consumer spending, particularly on house buying. House prices rose 25 per cent last year and aggressive bank competition over personal loans was threatening the anti-inflation strategy of both the central bank and the Government.

As part of the credit curbs the banks have agreed to a ban on advertising their lending facilities. The central bank aims to limit short-term credit growth to 12½ per cent this year over levels in the last quarter of 1976. Lending which is funded by long-term borrowing is excluded from the controls since these are not regarded as a stimulus to current inflation.

Holland's mortgage banks, for example, have been excluded from the restrictions. The central bank has been hampered by a lack of some vital figures in assessing the impact of its curbs since it recently adopted a new system of compiling banking statistics. The seasonally-adjusted figures for the three months May to July show banking credit expanded at a slightly faster rate than that permitted by the authorities. But on an unadjusted basis the annual rate of growth was 11 per cent—within the bank's guidelines. The actual level of bank lending was little changed from before the introduction of restrictions in May but the sharp increase in long-term borrowing, which banks can set against lending, shows the bank has been successful in shifting the emphasis away from short-term funds.

The central bank naturally does not want to deter industry from borrowing and the banks have been told to give business

borrowers preference. Interest rates began to rise earlier this month but there are no signs of early fears being realised that the credit curbs would significantly push up the cost of borrowings and so defeat the object of the measure.

Nevertheless the tightening of money market rates forced the central bank to increase its lending rates by 1 per cent—bank rate went up to 4½ per cent from 3½ per cent—after they had been unchanged since May. The yield on the latest three Government bonds moved up to 7.8 per cent in September from 7.7 per cent in August but was well down on the previous year's level of 9.8 per cent.

Mortgage lending continued to increase sharply in the first six months of the year to a total of Fls. 26.4bn. This was a rise of 44 per cent on the first half of 1976 compared with a 43 per cent increase in the corresponding period last year. Yet mortgage rates continued to fall

and average house prices were only 15 per cent up on last year.

The hesitant rate of industrial recovery means corporate borrowers are still largely conspicuous by their absence. Three new domestic bonds with a total face value of Fls. 410m. were introduced on the Amsterdam stock exchange in September. All the issuers were banks. The industrial sector accounted for only Fls. 336m. of the Fls. 5.6bn. worth of public bond and share issues on the Dutch capital market in the first nine months of this year.

The Finance Ministry has repeatedly revised downwards the Government's forecast funding requirement for 1977 as higher than expected. Tax revenues boosted income and the long-running wrangle over the composition of the new Cabinet delayed spending programmes. Holland's budget deficit remains worryingly high but the State's lower call on the capital market took some pressure

off interest rates.

The 1978 budget announced last September foresees a Government financing requirement of Fls. 12.6bn. compared with the revised Fls. 9.4bn. now forecast for the current year. If the recovery of the Dutch economy really does get under way then higher tax revenues may reduce this figure.

But investment programmes delayed this year are urgently needed and these will increase spending in September Finance Minister Wim Duisenberg put the remaining funding requirement for this year at Fls. 1.3bn. compared with Fls. 5.5bn. at the corresponding time in 1976. The Government had already raised Fls. 4.3bn. on the capital market as well as creating off Fls. 3.8bn. in compulsory lending from the Civil Service Pension Fund.

The strength of the guilder within the European "snake" and relatively high yields on bonds have encouraged capital inflows in the past few months

and have contributed to keeping down capital market rates. But the sluggish rate of economic recovery, increasing worries about the competitiveness of the Netherlands in export markets and the long hiatus in effective Government decision-making have recently led to a weaker guilder.

Finance Ministry figures showed Holland's long-running balance of payments surplus had turned into a deficit in the first half of this year. A later revision of these figures by the central statistics office in fact pushed the current account balance of payments just into surplus. But the certainty that the guilder could always rely on a solid payments surplus thanks to income from natural gas exports had been shaken.

The money market has been fairly quiet this year after the sharp fluctuations of 1976. The central bank has helped the market over day-to-day shortages of funds with special advances against securities and by dollar swaps when foreign exchange market conditions permitted. The central bank buys the dollars spot, simultaneously selling them forward for anything between two weeks and three months. This has the effect of immediately releasing guilders on to the domestic money market for clearly defined periods.

As the central bank's credit curbs begin to take effect—the percentage increases in lending become progressively tougher from quarter to quarter—the rise in interest rates may accelerate. The poor reception given to the sixth State loan of the year in October may herald tougher times for borrowing. Bidding for the tender was a poor issue was set at Fls. 150m.—the smallest State issue of 1977.

By a Correspondent

Klynveld Kraayenhof & co ACCOUNTANTS

We are, by European standards, a large, internationally oriented Dutch auditors' firm with 17 offices in the Netherlands and 22 abroad. Since our foreign practices have been showing a continued expansion, we are looking for

young chartered accountants

with some years' auditing experience who, possibly after some training in the Netherlands, would like a position with one of our foreign based offices carrying out auditing and advisory work.

The salary, which will be adapted to the standard of living of the country in question, will also be commensurate with the considerable independence which working outside the Netherlands in a small unit demands. The costs of expatriation, periodic leave and repatriation are provided for by adequate compensation schemes.

Suitable candidates may be required to undergo a psychological test, as a part of the selection procedure. Those who are interested are requested to contact our Personnel Manager, Prinses Irenestraat 59, Amsterdam, the Netherlands, telephone Amsterdam - 5410541, or J. C. Krenning, partner in our London office, at 7, Tavistock Square, telephone 01-387-1930.

Amsterdam Arnhem Breda Deventer Dordrecht Eindhoven 's-Gravenhage Groningen Haarlem Heerlen Hengelo Leeuwarden Middelburg Rotterdam Utrecht Zwolle Antwerpen Barcelona Brussel Düsseldorf Hamburg London Madrid Milan Parijs Zug Bogotá Buenos Aires Caracas Curaçao Jakarta Montevideo New York Paramaribo Rio de Janeiro Salvador Sao Paulo.

INSURANCE

Industrial expansion

THE DUTCH insurance industry has in recent years reflected national traditions by looking beyond the country's borders to find fresh scope for expansion. With several sizeable groups competing in the field—the largest, Nationale-Nederlanden, employing over 10,000 people—growth has increasingly taken the form of going international.

More than a third of Nationale-Nederlanden's turnover and profits are now attributable to its interests overseas, which include recent acquisitions in Britain and the U.S. The group has long operated through Life Association of Scotland as its main life insurance arm in the U.K., where it also owns Orion Insurance, a specialist in marine and aviation cover, the remaining 33 per cent minority in which was bought out three years ago.

Then, in 1976, Nationale-Nederlanden entered the unit-linked insurance field in Britain by purchasing from United Dominions Trust the Merchant Investors Assurance concern, which has since been considerably reorganised and which has achieved increasing business in the United States. Nationale-Nederlanden has followed up its earlier purchase of Midwestern United Life Insurance, of Fort Wayne, Indiana, with a successful offer for Security Life and Accident, of Denver, to add to its existing U.S. interests, Peerless Insurance and Wisconsin National Life Insurance.

Diversified

Another of the larger companies, AMEV, which writes insurance through its Utrecht offshoot in several European countries, including Britain, has diversified to some extent outside insurance, not only in Holland but in West Germany. It has a joint venture, Combined European Retailers, with the British concern, Combined English Stores, in which it has a 9 per cent stake. The company has also bid this year for the insurance interests of the U.S. concern Time Holdings.

In 1974 the rather smaller Ennia insurance group acquired a U.K. subsidiary by purchasing Triumph Insurance following the failure of Triumph Investment Trust in the secondary banking crisis; its acquisition now operates as the British company Ennia Insurance. The Ennia group has also announced this year that it is

establishing a reinsurance company in the U.S.

In the case of the big Delta-Lloyd, the international link is of a different kind. The company is British-owned, having been taken over for some £27m. in 1973 by Commercial Union, which prevailed in a battle against Nationale-Nederlanden as a competing bidder.

Delta-Lloyd's new headquarters near Amsterdam now acts as the GU's North-West Europe Head Office, covering the group's operations not only in Holland but in Germany, France and Belgium. Delta-Lloyd has around 6.7 per cent of the Dutch non-life insurance market and a major slice of the life business as well. Its non-life premiums total about £125m. and its life funds amount to some £900m., both very approximately one-third of Nationale-Nederlanden's.

Despite marked expansion overseas, however, domestic business still provides the bulk of turnover for Dutch insurance companies, and rising living standards have made possible a steady growth in general and, even more, in life insurance activities in the country.

It is of interest that, on the investment side, which is a valuable contributor to profits, assets range over a rather wider span than is usual in Britain, since they include substantial loans to industry and, still more important in recent years, mortgage loans on private dwellings.

The most difficult problems of the Dutch insurance industry in recent years have arisen on the underwriting side, where stiff competition, extensive State control over premium rates and a less than buoyant economic climate have combined to make profits hard to earn and have meant losses in many cases.

Conditions have, however, tended to improve just lately, with a 15 per cent increase having recently been allowed for fire risks, while higher rates have been approved for the significant, moped's business. Rises on the highly important motor premiums are under consideration and will, it is hoped, be possible before long.

The increases agreed for the fire and moped premium rates, and hoped for on car rates, appear to reflect an acceptance by the Dutch authorities that premiums hitherto have been insufficient for profitable operations by the insurance industry in the non-life field. The shift towards increases follows from representation made after a

change of heart within the industry, and an acceptance by the major firms of the needs to act in step with each other to stop the rot in earnings.

The more concerted approach, willingness among big old has lent weight to pressure mounted on the Government—

which regulates rates in the interest of the anti-inflationary strategy—to ease the rigorous control policy.

There is now clearly also willingness among big old panies to enforce the rate increases granted and to fight

CONTINUED ON NEXT PAGE

Is there a name for a company that's 62% life assurance, 32% general insurance, 6% mortgages, hire purchase and property—and 100% keen to get to know you?

Ennia were formed in 1969 from the merger of two long established Dutch insurance companies, the oldest of which was founded in 1859.

And, though we aren't exactly new, it's true to say that the insurance, financial and business worlds probably know less about us than is good for either them or Ennia.

We are, in fact, one of the largest insurance groups in the Netherlands, in terms of gross receipts.

Between 1972 and 1976, total receipts have risen from £190m to £354m, an annual average increase of 17%.

Profits have come along nicely too: from £4m to £8m over the same period.

Last year we paid a dividend of £1.51.

Three main activities

We operate internationally in three main areas: life assurance, general insurance and some non-insurance but related fields such as hire-purchase, mortgages, property development,

even holiday centres—where our marketing strength, expertise in investment analysis and property management can be profitably employed.

Life assurance accounted for 62% of our business last year, gross receipts having risen from £135m in 1972 to £219m in 1976.

General insurance produced 32% of our income in 1976 and has increased from £51m to £113m in the past six years. Our general insurance interests are divided between the Netherlands, the U.K., other countries and inward reinsurance.

Non-insurance activities have grown to 6% of our business from £37m in 1972 to £21.5m in 1976.

Gathering strength internationally

At the moment, most of our revenue is generated within the Netherlands, a home market that provides, overall, a sound and profitable base.



Balanced growth, internationally.

But our overseas business is developing well.

We have offices, subsidiaries and affiliates in the United Kingdom, Belgium, the United States, the Caribbean, Republic of Surinam and the Middle East.

They already contribute 18% of our total gross receipts, and we plan to increase that percentage.

Overall, Ennia have a record of producing sustained balanced growth at home and overseas to the benefit of both shareholders and policyholders.

If you have an interest in the insurance world—from a business, investment or consumer point of view—you should have information about Ennia on file.

We'll be happy to send you a copy of our Report and Accounts if you contact the Company Secretary, Ennia Insurance Co. (UK) Ltd., 130 Fenchurch Street, London EC3, (Tel: 01-488 3111), or our head office, Ennia nv, Churchillplein 1, The Hague, The Netherlands. Tel: (070) 72 72 72. Telex: 31657.

Exchange rate 24th October 1977 £1 = Dfl. 4.3660

مركز التأمين

THE NETHERLANDS IX

LABOUR

Signs of strain

THE NEW dent in the ability of employers to guarantee increased profits from this year, labour would mean more jobs. These look like being talks soon ended in deadlock further in the next few weeks as another battle looms between the unions and the employers over the maintenance of full indexation, which the unions had wanted to abolish as a result of a difficult economic situation; the decisive move of the strikes was made in Government in February three months before general elections. By allowing a sum to the employers to cut their contribution to social premiums, a threatened real income decline, the unions are pressing for stable purchasing power for the average worker in 1978.

There is a strong threat of a new series of strikes in the New Year. At the same time, the position of the central union organisation, the FNV, led by the young Mr. Wim Kok, was strengthened as a result of the automatic indexation for 1977, a small real increase had been secured and talks would be held between the employers and the unions on the issue of increased profits could be transferred into jobs. As for the strike which lasted nearly a month, it had been well used and efficient being at carefully selected points of industry.

It will also be important for the unions to see that the political accord reached in the unions' success in mobilising their members, they claimed their own successes too. The union front against automatic compensation had not been split by the actions, they had mistakenly, it turned out later that the wage bill unions and government had remained within their apparently agreed-on wage while, it was stressed, the moderation in exchange for as did eventually agree at social reform, neither has to discuss the wage in- tation issue in future. Ac- ing to some observers, the had all been postponed because of the many crises in the government. They involved a revision of land policy to pre- d, underlying dislike of a vent, excessive speculation, the ber of proposed social re- by the Government at igation of the unions.

okking back, it becomes that developments in nary far from solved the mental problems in the y. The already strained ions between employers unions have deteriorated er, although they are still eaking terms, and it has become clear that the ary strike compromise stunted little more than a part of the compromise, wo sides had agreed to set study on the whole subject ge indexation which could ook into the third main e demand in the strike- eed being a 2 per cent. ions have stressed that rge rise. This was the pos-

the new system of investment mounting stress on the country's subsidies, the government itself should become a larger employer. Economists have only problems on a central suggested that companies will level, but also on a sector-by- first seek to reinforce solvability and liquidity before they consider stepping up investments, and that invest- ment appetite will remain low anyhow as a result of over- capacity.

Boost

In September this year, the Dutch employers received a major boost from the outcome of a study by the Government's "think tank" on economic policy. Amid reports that ministers had tried to "influence" sections of the publication by the Scientific Council for Government Policy, the Council urged the invest- ment push to be directed at strong capital intensive indus- tries and that the job-creation criterion should be stressed less. The report was interpreted as a major snub for the policies advocated by the Government and the unions. In view of the need to tackle economic prob- lems, the employers had already stated at the beginning of the central wage pact negotiations for 1978 that the past year had been "worse than just lost."

Besides the basic disagree- ments over pay for next year, the start of the central wage negotiations has also brought to light opposing views on the need to further level incomes and on a formalised co-deter- mination machinery in com- panies with less than 100 employees, along the lines of the compromise over works councils.

It has appeared that the gap between higher and lower in- comes has not narrowed as significantly this year as has been the case in previous years. With incomes levelling being one of the main, and most successful, of policies of the current Government, the Min- istry of Social Affairs has pointed out, however, that the "average" worker/employee received a 13 per cent. real pay increase in the past five years, which was exceeded by the in- crease in wages of those earning less than Fls.28,000 a year. Those earning four times the average wage, however, have scarcely seen their real incomes rise since 1971.

The dispute between em- ployers and trade unions over co-determination in small com- panies is indicative of the

Michael van Os and Dick de Jong

INSURANCE

CONTINUED FROM PREVIOUS PAGE

the ruinous under-cutting of the past. What is less certain is whether the permitted higher rates will continue fully to stick given some continuing competi- tion from certain American and mutual concerns, outside the main groups.

These more encouraging developments over premiums have not yet produced any general improvement in under- writing results. But allowing for favourable trends in life insurance and in the yield on investments, Dutch insurance concerns have generally been able to keep their results on an upward trend overall, despite the economic recession.

Nationale-Nederlanden, which raised its pre-tax profit in 1976 to Fls.250m, from Fls.220m in 1975 (and only Fls.88m in 1972), derived about half 1976's pre-tax profit from the life side, while investments produced another Fls.100m. General in- surance contributed only Fls.21m, against Fls.25m in 1975, the fire and motor accounts, particularly in Holland, having been in deficit, while the marine and aviation account earned less through the impact of severe international competition, Orion Insurance in Britain contributing less.

In the first half of 1977, Nationale-Nederlanden's pre-tax profit rose 19 per cent and its net profit was 12 per cent up, while a rise of at least 10 per cent in net profit for the full year has been foreshadowed, an estimate which some market sources think too conservative. On the investment side the group has bought some property in Paris from British in- terests.

AMEV has already revised upward a forecast of a 10 per cent rise in 1977 net profits to one of 15 per cent from the 1976 figure of Fls.60.7m, which compared with Fls.53.8m in 1975 and Fls.35.2m in 1972. In the first half of 1977, net profit was up to Fls.30.6m from Fls.17.9m, thanks to some better underwriting experience. Enma raised its net profit in the first six months of 1977 by 21 per cent to Fls.18.5m; (the

As one businessman put it in 'Export Direction', Britain's leading international trade and investment journal: "The possibilities for the British manufacturer are almost endless... It is time the British started looking at their total distribution costs instead of just putting something on a truck and getting it outside the factory gates. He doesn't compete hard enough. He doesn't use all the techniques." We don't know whether you use all the available techniques or not. Considering the large volumes of export/import trades between the U.K. and continental Europe (and beyond) we do know, however, that we play an important role. You may look into this. We would be glad to be of service. We have the

facilities to help you. Why do so many customers select us? Not on promises. Rather because we do what we say. This we offer:

Speed: Quickest possible ship turn- rounds. Fast intra-Europe transportation by road, rail, air, inland barges and pipeline.

Efficiency: The most modern facilities and equipment needed by container ships, conventional vessels, tankers and any other type of carrier.

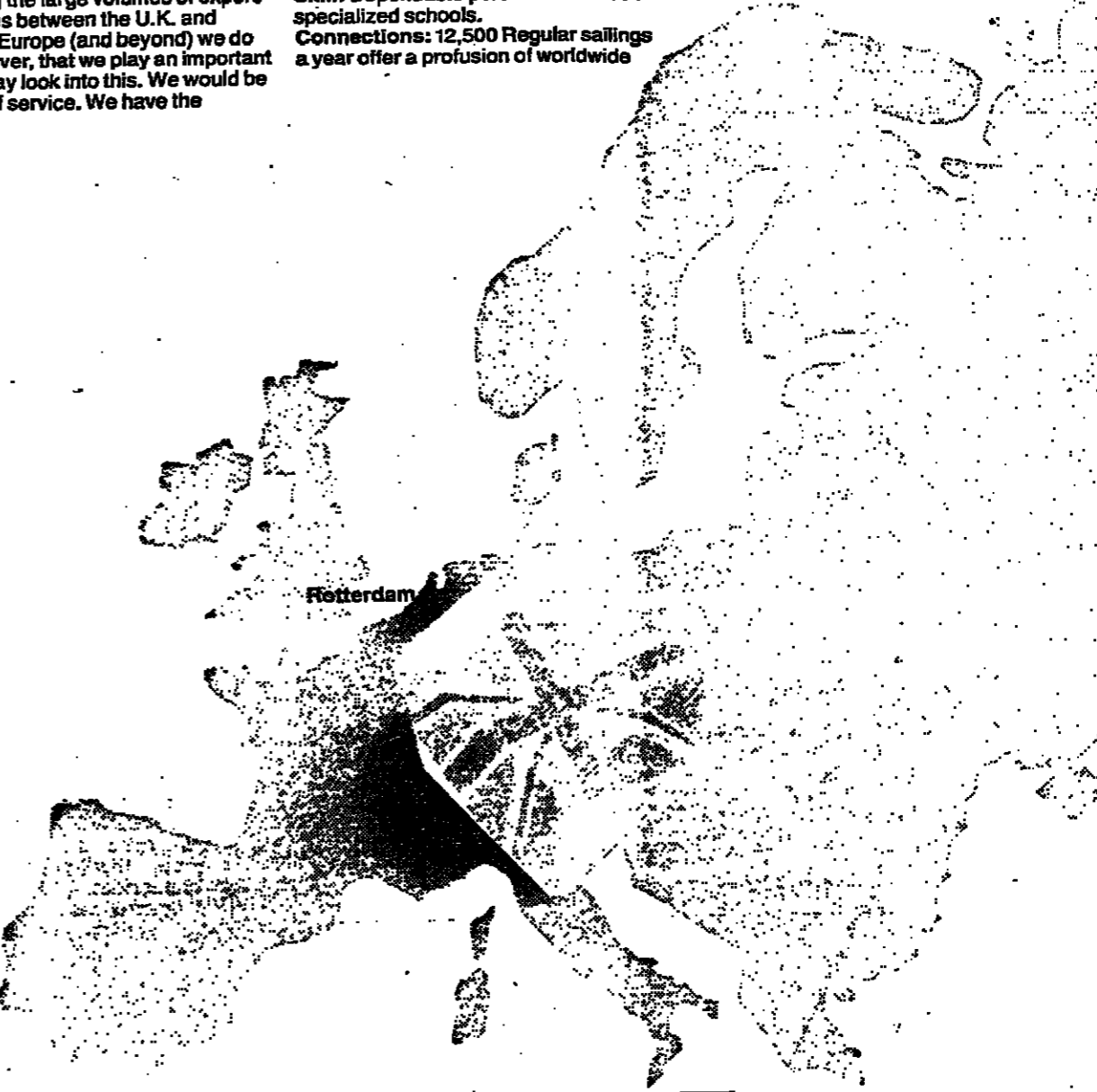
Skill: Dependable personnel trained in specialized schools.

Connections: 12,500 Regular sailings a year offer a profusion of worldwide

services very hard to beat. Continuity: Proud record of good labor relations making Rotterdam a reliable distribution center.

And: No other port in Europe is better located. No locks, no bridges. No other port can serve you the way Rotterdam can. The busiest port of them all. Because Rotterdam/Europoort cares most... about service.

Rotterdam/Europoort a way to consider...



Port of Rotterdam

Port of Rotterdam - External Relations Department - "Europoort III" - Marconistraat 12 - 3026 AK Rotterdam, The Netherlands
Phone: (010) 77 4877 - Telex 23077 - Cables: "eurogate rotterdam" - Postal address: P.O. Box 6822 - 3002 AP Rotterdam

BNP in Amsterdam

Continuing the extension of its network to the large international centres of trade and finance, BANQUE NATIONALE DE PARIS has opened a branch in Amsterdam.

This will complete BNP's presence in the Benelux countries and strengthen its activity in the Common Market. The Group is now present in eight of the EEC countries. The new branch, which will undertake all traditional banking activities, will devote particular attention to the financing of Franco-Dutch trade. It will also aid the establishment and expansion of French companies in the Netherlands as well as the operations of Dutch companies which use its international network. The branch is managed by Mr. Jacques RAMBOSSON and Mr. Frans AFMAN, and the address is: Herengracht 477 1002 AMSTERDAM.

Outside the EEC, the BNP Group is present in the following West European countries:

Switzerland: Subsidiary, BPCI, in Basle and Geneva, and a Representative Office in Zurich.

Greece: Associated Bank, Banque d'Attique, in Athens, Piraeus and Salonica.

Spain: Representative Office in Madrid. Subsidiary: Eurofip, in Madrid.

Subsidiary: Consejo España, in Madrid, Barcelona and Bilbao.

Portugal: Representative Office in Lisbon.

Norway: Representative Office in Oslo.

Banque Nationale de Paris

BNP HEAD OFFICE: 16, Boulevard des Italiens, Paris 75009, Tel: 523-55-00

UK Subsidiary: UK Subsidiary Banque Nationale de Paris Limited, Plantation House, 10-15 Minding Lane, London EC3P 3ER, Tel: 626 5678

ESTEL helps operating blast-furnaces

Iron and steel making is specialists work. The Dutch-German ESTEL group is one of these specialists, with two integrated steel works: Hoogovens in IJmuiden and Hoogh Dortmund. Decades of daily practice and continuing research are the base of the advanced know-how of the group. ESTEL has proved to be the leader in some particular fields of steel making technology. Hot blast stoves for example are one of the ESTEL specialties.

All over the world iron and steel makers have recognized the advantages of the Hoogovens hot blast stove. They are already aware of its reliability, long life and economy. Among them are newcomers as well as well-known names in steel.

ESTEL provides them with a wide range of technical support, from feasibility studies, consulting to engineering, training and production assistance.

ESTEL Technical Services, situated at Hoogovens IJmuiden, represents the aggregate technical capabilities of the ESTEL group. These cover not only know-how and technology on the production and processing of iron and steel, in cooperation with other partners, in and outside the group, services are available for related technologies, such as:

- harbour and raw material handling facilities (ESTEL is involved in the design of Trinidad docks)
- ore mining and pelletizing
- ESTEL has also large experience with starting up pelletizing plants and staff training
- slag cement
- pollution control

For inquiries or reference list ESTEL TECHNICAL SERVICES BV, Kasselerplein, IJmuiden, Holland, TELEX: 41111



siol
KEVOOR
for
EDGING
DAAL-HOL
AGE

Margaret Reid

THE NETHERLANDS X

CHEMICALS

Still doing well

THE CHEMICAL industry is one of The Netherlands' most important industries. Because of the country's favourable geographical location, it has attracted a large number of big basic chemical industries. The Dutch industry has traditionally emphasised the production of semi-finished chemical products which could be transported to neighbouring countries for further processing.

On the next four pages MICHAEL van OS reviews the fortunes and prospects of some of the major industrial sectors.

which Dutch industry is still in their increasing involvement doing well, the chemical sector in manufacturing outside the country is invariably mentioned; it is country and nearer to, or in, also leading the modest increase their export markets. DSM, for example, has very ambitious plans for further expansion in investments this year. Of example, as plans for further expansion in much as headquarters is in the U.S. ported, with Rotterdam serving as a main distribution centre for Europe.

Unchanged

In a review of the prospects of the various domestic industries in the years to 1980, the Central Planning Bureau (CPB) in The Hague has said, however, that the very rapid growth of the chemical sector which has taken place since the 1960s will slow down somewhat in 1977-80. Pointing to the industry's essential role in supplying various other industries, it said that the reason for this development lay in the reduced growth of world trade compared with the previous decade. The heavily export-oriented Dutch industry remains dependent on the world market, it was noted, referring to cyclical developments to a large extent. Another factor which is likely to affect growth of the Dutch-based chemical industries is the level of real volume investments in the basic chemical industry: "It is precisely that

sector which is approaching the limited borders of our country, which is why a stabilisation or a decline of the investment level is emerging."

The Ministry added that besides the effects on the level of future activity resulting from the slowdown in the growth of world trade, measures in the field of urban planning an environment as well as the increasing safety requirement may lead to postponement or even cancellation of investment projects. As regards the investment policy of the large international companies that have settled in the Netherlands, it was noted that these will increasingly direct their investments towards rationalisation and the creation of high value products, as well as modernisation, of course.

Dutch industry is renowned for its high level of labour cost and the chemical industry is no exception, although productivity is comparatively high. It is to be expected, the current year, show an improvement from the disastrous situation in 1975 in which many large companies—not only Akzo—made loss.

The Economics Ministry has repeatedly shown concern for the position of the domestic chemical industry in which about 10 per cent of the country's industrial workers are directly employed. The industry's costs have been significantly raised by compulsory investment to comply with environmental regulations. Exports, which are mainly directed at the other Community countries and in particular West Germany have been hindered to some extent; the strength of the Guilder as a result of the vast income from natural gas sales.

The Dutch Chemical Industry Association (VNCI) has welcomed the Economics Ministry decision to introduce additional investment premiums to stimulate research and to tackle environmental problems. It also intended to streamline award of the various licenses which has become a time-consuming process in the Netherlands.

As well as noting with satisfaction that the Dutch Government will continue to endeavour that several of the industrial problems are effectively dealt with on a European level, the chemical manufacturers are also eager to know what the Economics Ministry intends to do about the high level of domestic energy prices. In the Ministry's statement in Parliament in September, it was admitted that competitive incentives in some other countries had paid less for their Dutch chemical industry themselves. "These differences will have to be evened out," the Minister said.

TEXTILES

Shrinking fast

THE DUTCH textile and clothing industries have shrunk considerably in the past decade, faster than those of most other West European countries. Fighting an uphill battle, the Government's policy is aimed at maintaining a relatively small but modern and efficient textile and clothing industry in the country. To do this a major restructuring programme involving State assistance has been necessary.

According to recent figures some 45,000 were employed in the textile sector in 1976, with total sales at around Fls.4.5bn. In the period 1969-75 alone, however, the sector has seen the number of jobs slump by about 31,000. In the clothing sector nearly 25,000 were employed at the end of 1976, about 70 per cent of them women. There the number of jobs lost is even higher—around 35,000.

The Economics Ministry's concern is understandable, for although the two industries are scattered throughout the country, the activities are concentrated mainly in economically weak and high unemployment areas, such as Twente in the east. Textile and clothing are seen as attractive industries for the country. Not only are they labour-intensive; they are also "clean" from the environmental point of view.

Holland's largest integrated textile group, Nijverdal-ten Cate in Almelo, has repeatedly warned in recent years about another more typically Dutch handicap for the industry—namely the strong guilder, which has made Dutch-made products expensive and foreign imports increasingly penetrative in the Dutch domestic market. High wages had already made the Dutch products dear.

According to recent figures some 45,000 were employed in the textile sector in 1976, with total sales at around Fls.4.5bn. In the period 1969-75 alone, however, the sector has seen the number of jobs slump by about 31,000. In the clothing sector nearly 25,000 were employed at the end of 1976, about 70 per cent of them women. There the number of jobs lost is even higher—around 35,000.

The Economics Ministry's concern is understandable, for although the two industries are scattered throughout the country, the activities are concentrated mainly in economically weak and high unemployment areas, such as Twente in the east. Textile and clothing are seen as attractive industries for the country. Not only are they labour-intensive; they are also "clean" from the environmental point of view.

Flexible

Nijverdal's chairman, Mr. J. J. C. Alberdingk Thijm, who has also stressed repeatedly that the European Commission should do more to regulate cheap imports from what he termed so-called developing countries, does believe there is a future for the European textile industry, however. There should be relatively small, flexible units, he says, concentrating on specialist products where much innovation, quality and market knowledge is built in and on smaller, specialised market segments where there is still good growth potential. His own company is being restructured in that direction with State financial support.

In a review of the position of the domestic textiles industry, the Economics Ministry observed that in terms of production performance Dutch textile companies have compared "very unfavourably" with the EEC partners. The industry's troubles in recent years can be traced particularly to the strong growth of imports under the spur of keen price competition. These imports increased much more rapidly than overall sales on the Dutch domestic market where there was some evidence of saturation.

Figures supplied by the Economics Ministry show that whereas the EEC remained the dominant trading partner for

the Dutch textile sector—taking about 75 per cent of Dutch exports in the past year and the big department stores supplying about 90 per cent of the country's imports—the rate of increase in imports from non-EEC countries has jumped in recent years. Despite increasing pressure from the trade unions, Holland has never seriously contemplated closing its borders unilaterally to imports from certain low-cost producer countries. This is certainly not because of pressure from the strong pro-overseas development lobby, but is based on a pure business sense. The Government is restricting its efforts to attempt to provoke the EEC into action and is hoping for a more effective multi-fibre agreement to regulate world trade.

So far little has been heard about the success of the tripartite commission set up by the Government to arrange a tripartite body, which aims to have a rationalised modern industry on the subject of import quotas, prices of traded goods and the issue of "loosening" the manufacture of low-wage countries of goods which are then imported into Holland and further processed. 3,000.



The cross-roads of the EEC

The way ahead for DSM is clear. To find out more write to the Information Department, DSM, PO Box 65, Heerlen, The Netherlands.



"From Tokyo to Kuwait, the shrewd way is to ship our cameras via Schiphol"



Nunitchi Ohta, Manager of Airfreight operation department, Canon Amsterdam N.V., Schiphol-Oost, Holland.

"Distance is largely irrelevant these days. For cargo like ours, where one unit load device can hold tremendous value in cameras, we need fast, no-worry handling. And obviously, I need transportation via Schiphol Airport, where we have our own bonded warehouse.

KLM Cargo carries most of our Tokyo-Amsterdam cargo, and a good deal of our many onward air deliveries from Schiphol to Africa, the Middle East, and throughout Europe.

And we fly in more than cameras; our plain-paper copiers may be bulky for air transport, but they are in such demand that we need lots of them here in a hurry. Naturally enough, most of them fly with our friends at KLM Cargo."

A demanding customer.

We have worked with Canon at Schiphol for nine years; ever since they moved from Geneva. They are not "easy" customers. Mr. Ohta is a top professional, and he can make life very hard for us—as he did during a delay at Bangkok last year. And he is no sentimentalist: if he sees a better service than ours, he will buy it. That suits us fine: we didn't come into the airfreight business (37 years ago) looking for a lacy way to make a living.

Cameras don't take pictures.

People do. And just as the most magnificent Canon equipment is only as good as the person who uses it, so with all our modern airfreight machinery. We fly in and out of 40 places in Europe, and 70 others worldwide. Our 2500 cargo specialists have the latest wide-bodied aircraft, some 3500 unit load devices, the right computers, the right schedules and contacts and charter possibilities. (We're at home at Schiphol, where our

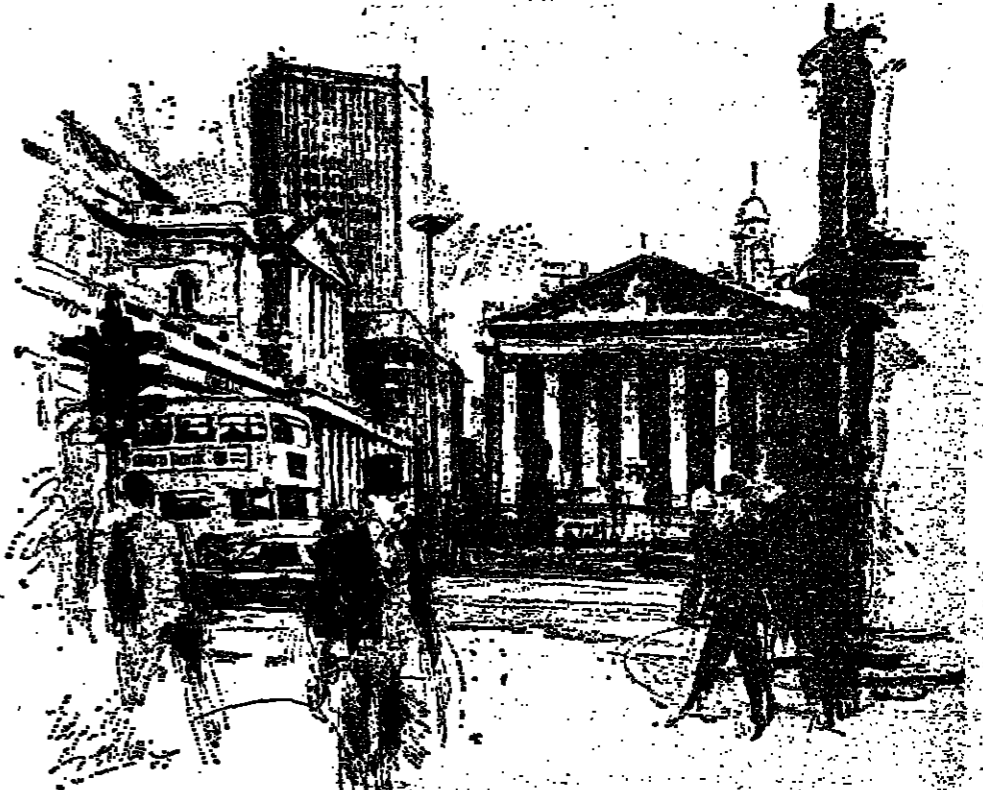
200 000 sq ft cargo centre can handle virtually all freight under one roof).

Can reliability be exciting?

Some people find reliability boring and unexciting; they don't work for us. May be it's because we're Dutch. We get great satisfaction out of doing a difficult thing and getting it right time after time. We're proud of this attitude—and proud to be working for people as successful—and as demanding—as Mr. Ohta.



KLM Cargo - part of your problem.



Amro Bank now in London

The Amsterdam-Rotterdam Bank NV (Amro), a leading bank in Holland, now has an office in London.

It has been supplying banking, business and marketing services to a number of leading British companies for quite some time now.

Their needs have increased, and the time is right for Amro to provide on-the-spot facilities.

At the same time, many more companies are faced with the need for skilful and expert banking services, advice and guidance in order to take advantage of expanding international trade.

Amro is involved in every aspect of the Dutch economy, and has been at the centre of the development of Holland's financial and economic ties with other EEC countries.

It is also a member of European Banks International (EBIC), one of the world's most active banking groups.

So it is especially well qualified to help

In London, Amro Bank offers the following services:

- Current and deposit accounts. Commercial overdrafts. Short and medium term lending. Collections, documentary credits, export financing. Guarantees. Foreign exchange transactions. Trade promotions.

Amro look forward to meeting you and discussing these services.



29-30 King Street, London EC2V 8EO

Telephone: 01-696 6283, 6284, 687 123

General Manager: Mr. H. S. S. van der Sluis

Executive General Manager: Mr. J. van der Sluis

مركز الامارات

THE NETHERLANDS XI

STEEL

A deep depression

LEAST 90 per cent. of steelworkers are that in the past two years, and at the Hoogovens steel plant in West Haven, the Dutch arm almost equalled those of the Dutch-German steel company.

In a paper to Parliament in early October, the Dutch Economics Minister, Ruud Lubbers, stated that although the competitive prospects of the relatively modern Estel concern were reasonable thanks partly to the world market share built up by Hoogovens, there had been adverse developments in recent years which affected the Dutch operations in particular.

"Not only has the competitive power of the whole European steel industry deteriorated compared with Japan, but it has also deteriorated in comparison

with the U.S. and the new material countries, and within the European industry Hoogovens' competitive edge has been reduced," said Mr. Lubbers.

In the 1970 to 1976 period, the wage cost increase per unit product at Hoogovens had amounted to 13 per cent. per annum and to 8.3 per cent. for the West German industry (including exchange rate changes). In the past year, the hourly wage, compared in six EEC countries, including exchange rate effects, were Fls.24.09 for Belgium, Fls.24.01 for the Netherlands, Fls.22.22 for West Germany, Fls.18.07 for France and Fls.15.16 for Italy, according to the Economics Ministry.

Energy costs had risen considerably faster compared, for example, with West Germany—the earlier favourable comparison had virtually turned into a disadvantage—for which differences in the countries' energy positions and energy policies are cited.

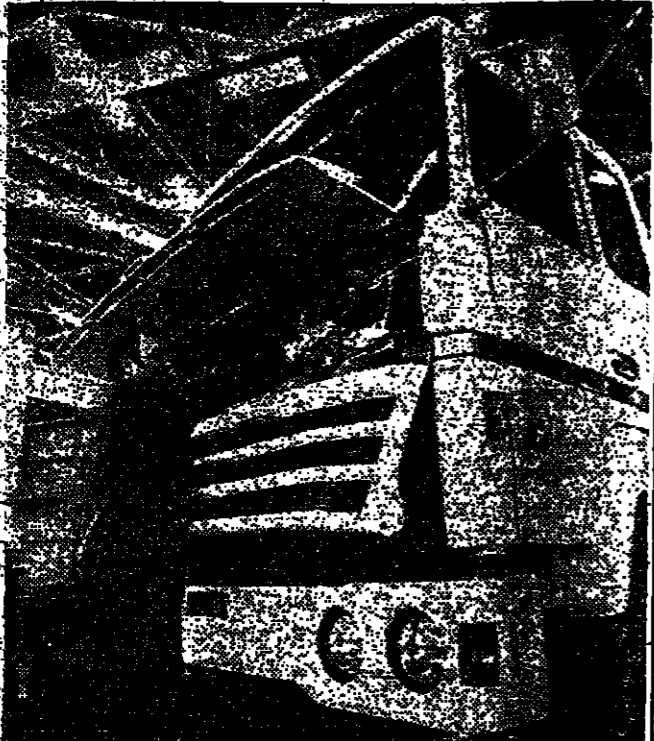
Whereas it can be argued that the country has only itself to blame as far as much of wage costs and energy prices are concerned, there is little that could have been done about the strong position of the guilds. The Dutch steel company, which produced over 4.8m. tons of raw

steel in 1976, has always been a heavily export-oriented operation, largely because of its limited home market.

The geographical spread of its sales showed 29 per cent. to have gone to the home market, 17 per cent. to Britain, 3 per cent. to Germany, 22 per cent. to other EEC countries, 11 per cent. to the U.S. and 13 per cent. to the other countries.

Hoogovens announced in October that it had been forced to cut its number of jobs, largely in the indirect sector, by over 2,000.

At the tubes manufacturing subsidiary, Vereenigde Buisen Fabrieken, discussions are also in progress about a cutback in jobs and here a figure of nearly 200 has been mentioned.



final delivery check being made on a lorry at the Ford plant at West Haven.

MOTORS

Fair prospects

IDES THE car assembly price stable the company is dealing with the criticism that the Netherlands has only one manufacturing industry, the privately-owned Daf group, now owned by Volvo Car.

Ford's assembly plant in Amsterdam makes a series of very popular lorries in Amsterdam, the indigenous lorry production is concentrated at the Daf group which is not purchased by the International Harvester group, DSM chemicals group, DSM large stakes in Daf

Discussed

The Dutch trade unions have said they will enlist the help of the Dutch Government to prevent any forced redundancies at the Hoogovens, whose position is still being discussed by Hague officials and the workers' representatives. The Government, which has stressed that the Estel rationalisation should be seen in the European context of the Brussels plan to avoid further

disruption of the steel market, said it was studying what measures could be taken to soften the impact of these measures.

The Dutch Government strongly supports the EEC's marketing policy and it has made clear to the unions that the job cutback at Hoogovens, in which the State has a stake, is an unavoidable burden following the enactment of the Commission's gradually developed "anti-crisis" programme. The Economics Ministry in The Hague has said, referring to the Commission's longer-term restructuring programme for the European industry, that the Dutch Government certainly does not intend to withhold its support if a number of (as yet unspecified) conditions are met.

In mid-September, Hoogovens revealed that it would be forced to cut its workforce of 23,000 by around 2,500 in the next two years. The actual number of forced redundancies would be around 1,000, it added. Of the 2,500 jobs to be cut, 1,900 would be in the so-called non-productive sphere. It commented that the cutbacks of the past few years had been insufficient to counter the growing losses. It said that Estel was hoping to be able to return to profit in 1980.

presence of a single and artificially large car manufacturer means that imports traditionally accounted for seven-eighths of the domestic market. The lorry manufacturers are major exporters.

In spite of the not too bright picture in the Netherlands and an absence of a real improvement in the past few years, car manufacturers cannot complain about a lack of success in the Dutch market. After the dip in 1974, have risen significantly and in 1976 exceeded the 100-mark for the first time; year sales should be some higher.

largest

breakdown of last year's shows that General Motors the largest share of the set with about 71,700 sales the German-made Opel was top selling car with over 50 sales. The Japanese are strong in Holland with sales being around 85,500 units last year. Toyota was the most popular manufacturer with 28,100 was followed by Datsun. Arrival on the market is the ru, while the Daihatsu will marketed from next spring. Leyland sales amounted some 25,600 with the Mini lining the top seller. The any, which is based in a, expects sales to have further this year.

Ivo has had a rather bumpy in Holland since it acquired ol of the car division of the Doorne family's car operation in 1975. It has yet to turn a profitable activity. Losses oved from Fls.50m. in 1975 ls.27m. the following year, ver, and the loss is cted to be reduced further e current year.

Ivo Car may break even year. Based in Eindhoven, fered a lot of problems in ty-control with the intro on of its brand new Dutch 343 model with automatic mission. These have been come and by keeping its

A few weeks ago, the largest trade union at Volvo Car, the Industriebond NVV claimed it had been told at a meeting with the President of Volvo in Sweden, Mr. Pehr Gyllenhammar that he would be forced to close the Dutch subsidiary if Fls.250m. was not found. This would put nearly 6,500 people out of work. Both Volvo Car and the Economics Ministry have denied that such a warning had been made, but it does underline the serious position of the company and the urgent need to reach agreement with the Dutch government. The plants are on limited short-time working and no new personnel are being recruited.

The management of Volvo Car also denied the union claim that it intended to gradually replace the Daf-type "vario-matic" transmissions in the 343 models with ordinary transmissions and that the small Volvo 66 would be phased out. The unions have blamed the Volvo Car management for the disappointing sales of the 343.

The Dutch Government is not too pessimistic about the prospects of the domestic car and lorry manufacturing industry, although it has come under growing criticism from the car industry. It claims that car owners are taxed too heavily, the Government is not freeing sufficient funds to extend and modernise the road system, while it cares too much about public transport despite the public's apathy about using it.

Last month, the Economics Ministry, commenting on the prospects of the car and lorry industries—Daf Trucks has returned to profit after several years of heavy losses—said the acquisition of Daf cars by Volvo a few years ago "appeared to have improved the industry's possibilities on international markets, although it was vulnerable to competition at home because of its limited size." As for lorries, the Ministry said "this industry could maintain a certain position in the market if it, with its relatively limited capacity, offered a limited number of well chosen units."

EWF CZAES-71

Ivo Car may break even year. Based in Eindhoven, fered a lot of problems in ty-control with the intro on of its brand new Dutch 343 model with automatic mission. These have been come and by keeping its

N.V. EXPORT-FINANCIERING-MAATSCHAPPIJ

ESTABLISHED SINCE 1951



MEDIUM AND LONG-TERM FINANCING OF CAPITAL GOODS SUCH AS SHIPS, INDUSTRIAL PLANTS, OFFSHORE CONSTRUCTIONS, AIRCRAFT EQUIPMENT INSTALLATIONS, MACHINERY EXPORTED FROM THE NETHERLANDS

FULL INFORMATION WILL BE SUPPLIED ON APPLICATION

THE HAGUE

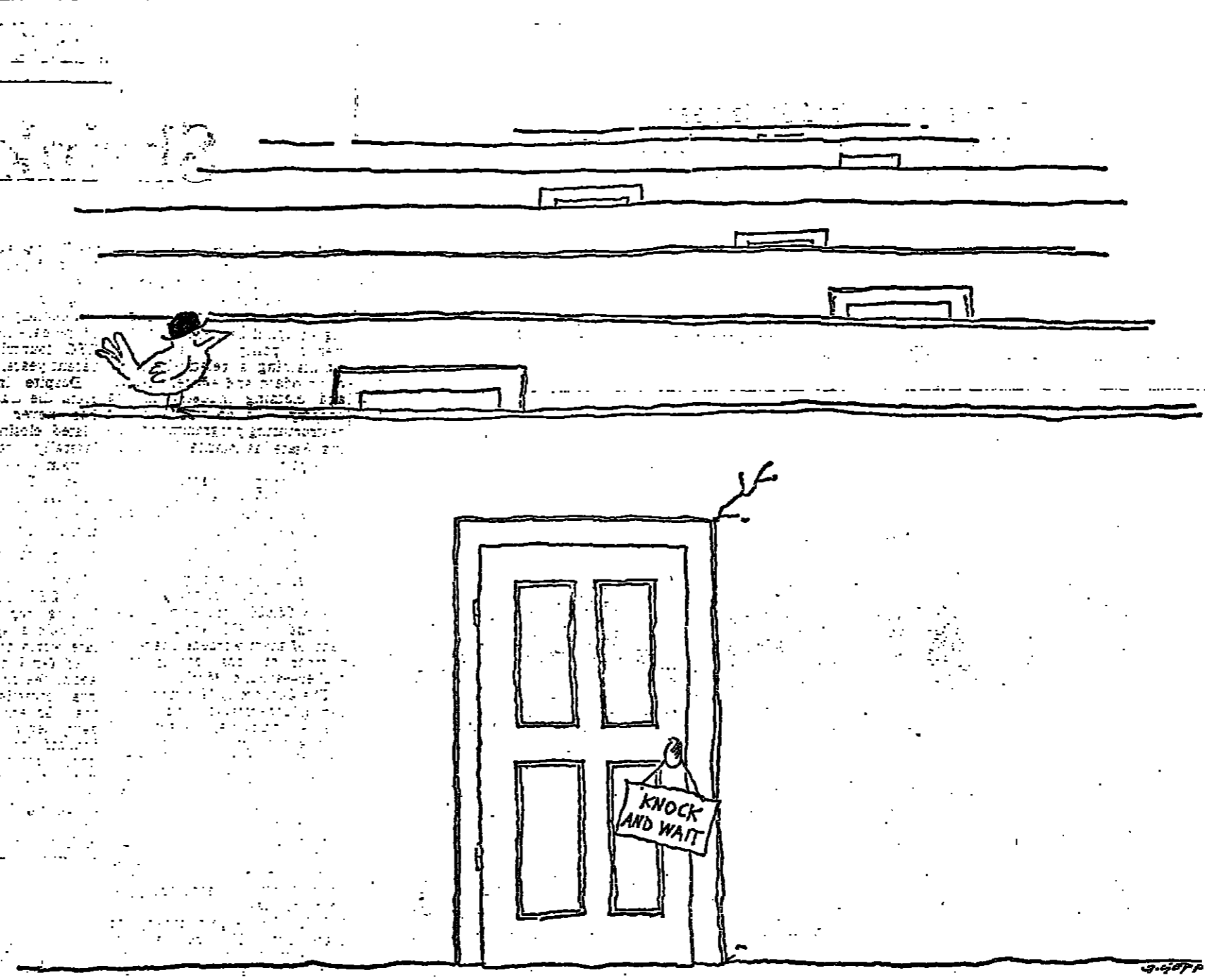
6, PRINS MAURITSLAAN

TELEPHONE: 070-558900

TELEX: 31121

CABLE ADDRESS: FINEX

P.O. BOX: 9006



Eastern Europe and how to get across

Business in Eastern Europe can be very rewarding. No matter what other people might tell you. But they do have a different set of rules which you could find very frustrating. But remember, they probably find some of our business methods strange, too.

It's all a matter of understanding.

And this is where we come in.

You do the deal. After all, that's why you are in this market. Then leave the paper work and the financing to us. For example, we have a system

called non-recourse financing which means you can get paid more quickly. And it's easier for both you and your partners in Eastern Europe. Even before you start the deal we can start helping you. We've had a lot of experience in Eastern Europe, so we can help you find out whether you really want that deal. It will make all the difference to the outcome. Come and talk to us. It could be the start of something big.



Girozentrale Vienna

We take you all the way.

Girozentrale Vienna, A-1011 Vienna, Schuberting 5, Tel. 72 9 40

Dealing in Securities: Mr. VOMACKA, Tel. 72 94 670, Telex 1-31195
Foreign departments (payments, collections, L/C): Mr. GOTTLÖB, Tel. 72 94 280, Telex 1-3006

International financings: Mr. ANTON, Tel. 72 94 780, Telex 7-5445
New Issues Syndication Dep.: Mr. NOWAK, Tel. 72 94 634
Telex 1-3915

Foreign exchange dealers: Mr. RAMBERGER, Tel. 72 94 441, Telex 1-2911

Non-recourse financing: Mr. SCHUBERT, Tel. 72 94 329, Telex 7-5445

THE NETHERLANDS XII

AIRCRAFT

In the public eye

ALTHOUGH the Netherlands boasts three airlines—KLM and the charter airlines Martinair and Transavia—there is only one aircraft manufacturer—Fokker. The Schiphol-based company's merger with the German VFW aircraft manufacturer nearly nine years ago was hailed as Europe's first transnational merger in the aerospace sector.

In the past few months, the company has often been in the public eye, mainly in connection with the German end of the operation, which has always been more dependent on military contracts than Fokker. These have been on the decline for some time. There are further big problems with the VFW 614 which is largely German-produced. Sales of this 40-seat short-distance passenger aircraft have not lived up to expectations and have been so bad this year that VFW-Fokker has become seriously concerned. To deal with the over-capacity situation in the German aerospace industry in general, an investigation is currently looking into the feasibility of a merger between VFW-Fokker and the only other German aerospace group, MBB. The Dutch government's position is to wait and see what develops.

The manufacturing activities of Fokker are almost exclusively concentrated on the civilian aircraft business. The company is best known for its production of the F-27 Friendship turboprop aircraft. In the years since production started in 1953, nearly 870 have been sold, making up the Government's stake in the start-up expenditure many times over. Sales of this aircraft are expected to continue into the early 1980s with the aid of a number of new versions which have been put on the market (like the marine patrol version). In October, however, the company announced reduced working following a lack of new orders for the F-27.

Of the Fokker passenger jet aircraft, the F-28 Fellowship, 130 had been sold by July this year. Its sales have been affected, however, by fierce competi-

tion, particularly from U.S. aircraft such as the Boeing 737. Handicaps are the lower dollar rate, favourable credit facilities offered by the U.S. authorities and lower cost. There is resentment at the many barriers which have to be overcome to sell European planes on the U.S. market. According to recent estimates, U.S. aircraft builders account for 82 per cent of the world market with Europeans taking only 6 per cent, while only 48 per cent of the aircraft are used in the U.S. and 26 per cent in Europe.

Although sales of the Fokker F-28 are still well below earlier forecasts, there was some encouraging news for the company in October, when KLM ordered two aircraft with an option for two more. They will be introduced in the Dutch domestic services and short-haul European services of NLM, the airline's regional carrier. The fact that the country's only scheduled airline had not bought any aircraft from the sole Dutch manufacturer had been a thorn in Fokker's flesh for decades. According to VFW, the Fellowships will maintain their presence in the short- and medium-haul world market until the mid-1980s, by which time a planned successor, the

F-28 Super, should take over. In 1976, the Dutch Government was forced to take a decision to boost the disappointing sales of the F-28, which was rapidly losing competition for world orders from more aggressive U.S. manufacturers. Faced with a declining home market, they had stepped up their overseas sales effort with even greater zest. By allowing shifts in the timing of the development costs of the aircraft, the "necessary" cost margins between the Boeing 737 and the F-28 have been "restored," as it is put officially. It is not known what the impact of this move has been on the selling price of the Dutch aircraft.

Proposals

Fokker as well as the Government in The Hague hopes that one of the many European design proposals for the medium-haul aircraft of the 1980s, the F-28 Super will be selected. It would provide much-needed continuity for the domestic aircraft industry. The so-called aircraft replacement market is estimated to reach some 1,500-2,000 for the short- and medium-haul range of aircraft.

The current preparatory study phase of the F-28 Super, which is partly being financed with Government funds, is expected to be concluded by the end of this year or early next year. The new aircraft should carry about 100 passengers according to present proposals, and include a number of technical features such as the super-critical wing. After the actual design is started, it is expected that a decision on the development of the hardware of the aircraft will have to be taken in mid-1979. The total budget for the development of the aircraft is put at Fls.500m. (1976 prices), according to the Economics Ministry. It adds that according to planning, the first prototype aircraft will make its first trial flight around January, 1982, while the first aircraft should be delivered by mid-1983 after a 1½-year trial programme.

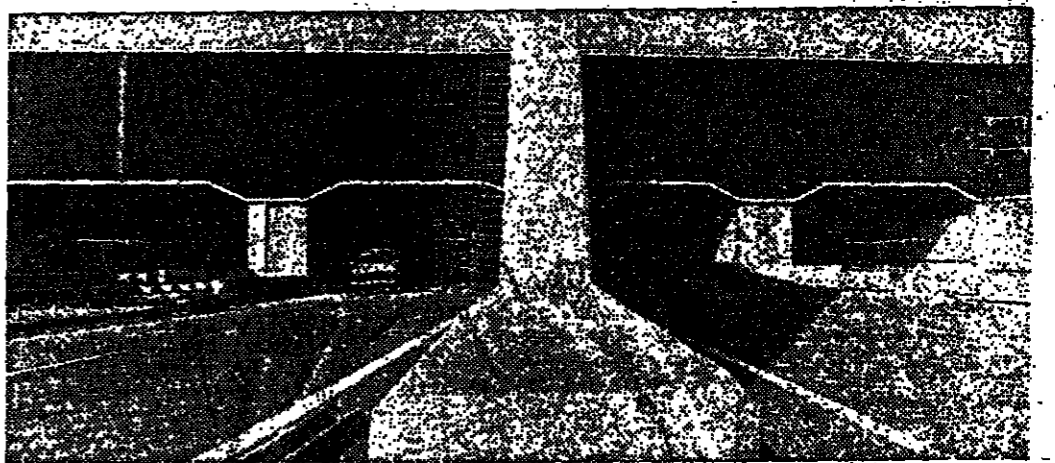
Fokker, as well as a number of other domestic industries such as Hollandse Signaal (PHilips) is also involved in a very large military aircraft construction programme. The aircraft manufacturer is responsible for the assembly of the General-Dynamics F-16 light-weight jet fighter which has

been ordered by a number of European Air Forces, including the Dutch. The work is expected to really get under way after the first few months of next year, by which time the need for further short-time working at Fokker establishments will disappear.

In the recent wave of reports about internal difficulties in the German-Dutch VFW-Fokker Group, it emerged that there is some suspicion among union circles in Germany that the Dutch-based overall sales organisation has not worked hard enough to promote sales of the largely German-built VFW 614 aircraft. Under union pressure, marketing of that aircraft has now been transferred to Germany, although Fokker has strongly denied those claims. Mr. Gerrit Klapwijk, the Dutch chairman of the German-Dutch group, has said that some "anti-Dutch" sentiments in his group in Germany were due to the fact that the company—despite its transnational construction—had been prevented by the Hague government to transfer part of the F-16 work to its German plants where many redundancies for skilled people were threatened.

CONSTRUCTION

Foreign business growing



The entrance to the Drecht tunnel under the Oude Maas River near Rotterdam, which is being opened by Queen Juliana to-day.

ONE OF the industries that the Dutch are justifiably the most proud of is building. Gigantic projects such as the Delta Plan in Zeeland province and the more recent reclamation of much of the former Zuiderzee (now IJsselmeer) have won domestic contractors a world reputation.

The days of the truly giant works are now over, however. The one big project that remains is the construction of a dam in the eastern Scheldt estuary. Reclamation of the last section of the IJsselmeer, the Markerwaard, where a possible second national airport may be built in the distant future, has been postponed indefinitely. The decision to go ahead with the construction of the last big dam in Zeeland caused so much haggling in the Dutch cabinet over the ecological aspects that the project was nearly abandoned.

Further ahead, there is still the much-publicised proposal by a group of Dutch and foreign companies, led by builder/dredger Bos Kalk Westminister, to establish an industrial island off the Dutch coast to accommodate industries not wanted onshore for environmental or safety reasons. This plan is moving very slowly, however.

The domestic building sector has shown a continuing decline in activity since the 1960s, a process that was interrupted in 1976 after the Government freed substantial funds to inject more life in the industry and help to combat rapidly rising unemployment. Unemployment in the building sector is still the highest in the country.

The Government's role in the market has become even more dominant, carrying an estimated three-quarters of the financing of building production in the country. It is currently preparing a White Paper on the building markets in which it will attempt to say how the market will evolve further in the coming years. The employment situation remains a point of great concern as investments remain low. The labour market too, is problematic. The new quality of work in the industry makes it more harder to find the right skilled people—building workers are even recruited in Britain at great expense. The sector is notorious for its immobility of labour, and there are persistent reports that some of the unemployed have paid jobs in the industry while at the same time are receiving dole money. The programme of re-schooling workers has not had the success hoped for.

However, the industry's profitability should be helped by staff reductions and by its export performance—the major contracts obtained abroad, particularly in the Middle East. Six major companies are involved: Hollandsche Beton Groep (1976 turnover Fls.2.05bn.), Stevin (Fls.1.7bn.), Bos Kalk Westminister (Fls.1.25bn.), Ballast-Nedam (Fls.1.17bn.), Adriaan Volker (Fls.0.98bn.) and Frederox (Fls.0.86bn.), with the latter concentrating on civil engineering. A seventh is in the making: the OGE industrial trading company now embraces most of the building activities of the defunct Nedderhorst building companies and

has recently acquired a large minority interest in a big German building company.

The Netherlands Association of International Contractors (NABU) said in its 1976 annual report published in May that its many members generated a turnover outside Holland of Fls.5.1bn. For the current year, the figure will reach about Fls.6.3bn., indicating a less spectacular growth than in 1975 and 1976. A slowing down in the award of contracts in the oil producing countries related to the reduced energy consumption

has recently acquired a large minority interest in a big German building company.

In a review of the activities of the Dutch-based international contractors, Amro Bank has warned that, although building activity in the Middle East, where Dutch contractors now generate the major share of their foreign turnover, is bound to continue for some more years, "prospects have lost some of their glamour, especially as competition has gained adroitness in getting keyed to prevailing customs and local traditions." Of special interest was the recent revelation that a group of Arab investors is buying a stake of just over 16 per cent in the Amsterdam-based Ballast-Nedam Company, its first known major Arab shareholder in any Dutch company. The bank points out that contractors are becoming ever more dependent on the Middle East as a source of work and that they should not become over-dependent on the Middle East as a source of work and that they should not become over-dependent on the Middle East as a source of work and that they should not become over-dependent on the Middle East as a source of work

has recently acquired a large minority interest in a big German building company.

**STRUCTURAL STEEL,
CUT TO SIZE,
SHOTBLASTED,
PAINTED**

**STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL**

**READY ON
JOBSITE!**

DIKEMA & CHABOT

**STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL
STEEL**

**Dikema & Chabot's
Handelmaatschappij B.V.
Head office: Rotterdam-Holland
P.O.Box 5659 - Tel. 298711 - Telex 28429**

STATEN BANK HOLLAND N.V.

Specialists in Trust Banking

Nieuwe Uitleg 15
THE HAGUE 2005.

Tel. (070) 64 29 48
Telex. 34082 State.

Gist-Brocades nv

A towering, advanced industry in an ancient city.

Historical Delft in Holland is the home town of one of the largest producers in the world of yeast and penicillins.

Gist-Brocades is a microbiologically based industry with a large-scale manufacturing programme of enzymes, pharmaceuticals and yeast products.

Gist-Brocades means employment for over six thousand people, who can proudly say

fermentation is our job.

P.O. Box 1 - Delft - Netherlands

After 255 years in Holland we are the best Insiders for Outsiders.

BANK MEES & HOPE NV

Head Offices: Amsterdam 548, Herengracht, International Division, phone 020-527 9111, telex 11424, cable Meesbank, Rotterdam 93, Coolingsingel, phone 010-63 29 11, telex 21231, cable Meesbank.

Western Germany branch: Hamburg, Poststrasse 2, corner Rathausstrasse, phone 040-33 17 21, telex 0216 1733, cable Vasegerbank.

Associated banks and financial institutions in: London and Jakarta.

The Bankers of Holland

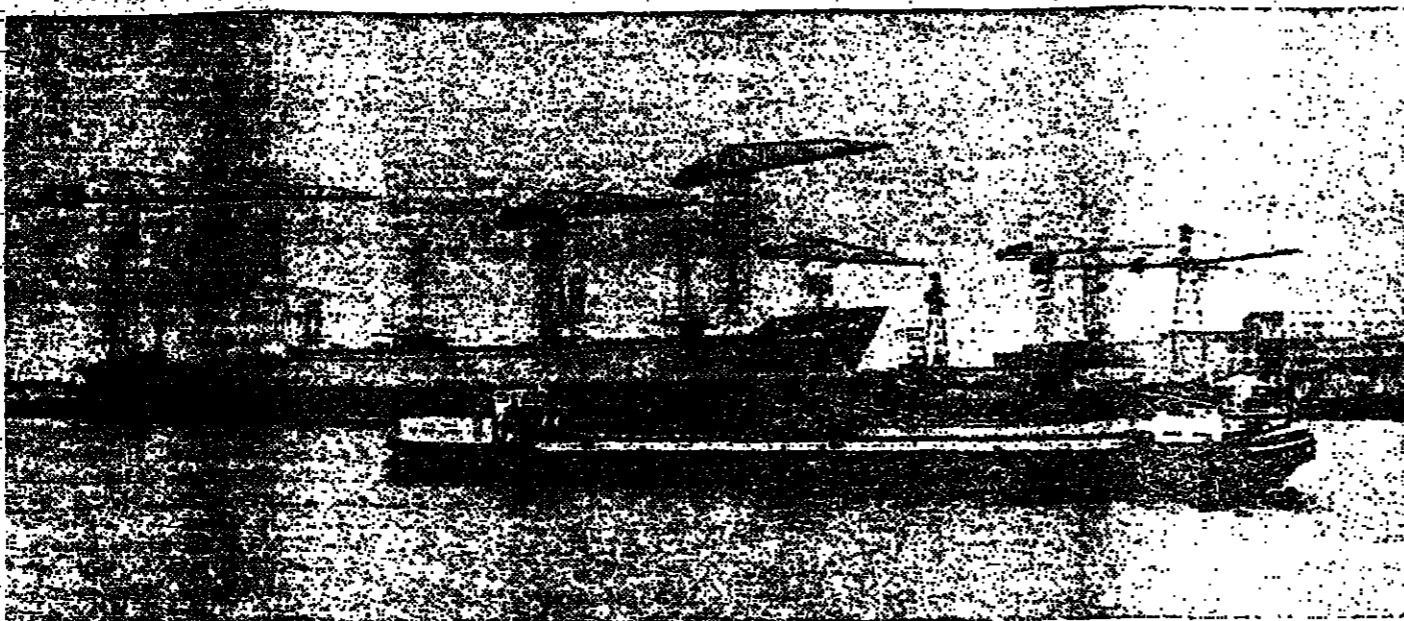
مركز الأعمال

THE NETHERLANDS XIII

SHIPBUILDING

Emergency plans under way

VIEW of the large Dutch shipbuilding industry, published in the Economics Ministry last week, arrived at two main conclusions, both of which have received the full support of the troubled industry itself. It stated that only "very big" (financial) firms would appear to be able to steer the industry through the difficult years ahead.



The Van der Giessen ship repair yards on the IJssel at Dordrecht.

It added: "The shipbuilding industry will have a chance of survival longer term if an enormous price improvement is achieved." The conclusions also refer to the offshore and the ship repair

rationalisation of the shipbuilding sector is all swing in a unique direction, the Government, industry and unions have drawn up a plan which comprises a 30 per cent cutback in capacity and a number of jobs in one of the country's largest firms. In essence, the plan is that shipbuilding capacity will be reduced by 30 per cent, and the number of jobs in all sectors of activity, which totalled 21,550 at the end of 1976, will be reduced to about 9,000 by the end of next year.

The study concluded, and none of the involved parties disagreed with it, that the establishment of a "Holland Offshore" company was not a feasible proposition. The study had shown that the maintenance of more traditional shipbuilding activities at the various companies was essential in order to achieve an acceptable rate of production capacity utilisation. However, the three companies involved and a few other companies in the engineering sector are still trying to see whether they can arrive at some sort of co-operation in the quest for large foreign orders. It is recognised that the volume of work generated by the relatively limited activities in the Dutch sector of the North Sea do not suffice to keep the domestic industry's order books filled. At the same time, it has become increasingly difficult for Dutch companies to obtain Norwegian and particularly British contracts which are placed outside those countries.

der Giessen-de Noord shipbuilding group which makes medium-size vessels. The giant restructuring programme, the first of its kind and the biggest so far in the Netherlands, will require the investment of some Fls.1bn. The Government will enable this to be made through guarantees and subordinated loans depending on the way the programme is carried out. For the modernisation of the new Giessen group alone, investments will amount to Fls.200m. in the next few years (1974 prices).

A suggestion by the tripartite Shipbuilding Policy Commission about the need for special support measures in the period to 1980, to ensure that building capacity can be maintained to the necessary extent, has been accepted by the Government. The Commission said in a report, published in January, that besides improving existing facilities, emergency measures were necessary in the interim period to aim at a certain protection of the Dutch market share of the world shipbuilding market against the excessive price competition from the Japanese yards.

modernise their ageing fleets to be more competitive. The aim was obviously to see that new ships were ordered at domestic yards, a policy which has been a success. That the Maritime Plan has proved to be very advantageous not only to the shipowners but also to the yards is clear in the Ministerial memorandum. Of the 18 large ships of various types to be built with investment premiums, 16 will be built at Dutch yards. Of the smaller ships, 60 were ordered with the special premiums, of which 55 will be built in Holland. It is estimated by the Ministry that the State will be paying nearly Fls.700m. in premiums in the period up to (not including) 1983. "It has also owners has had a major impact. The plan comprised the package of measures including investment premiums for Dutch shipowners wanting to build.

Cutback

The Dutch government has much of its hopes on the cutbacks in the Japanese shipbuilding sectors announced earlier, and on the efforts within the European Community to prevent internal cut-throat competition, which have already been in force for some time, involve compensation to be paid by the State so that the Dutch yards can accept certain loss-making orders. Likely orders are considered by the Commission to the State on the construction of specialised medium-size ships, multi-purpose carriers, roll-on/roll-off and container ships. The prospects for IHC Gusto yard near Rotterdam have been split into five groups, which structures were considered somewhat better than average, one of the RSV yards should build advanced ship-lifting objects.

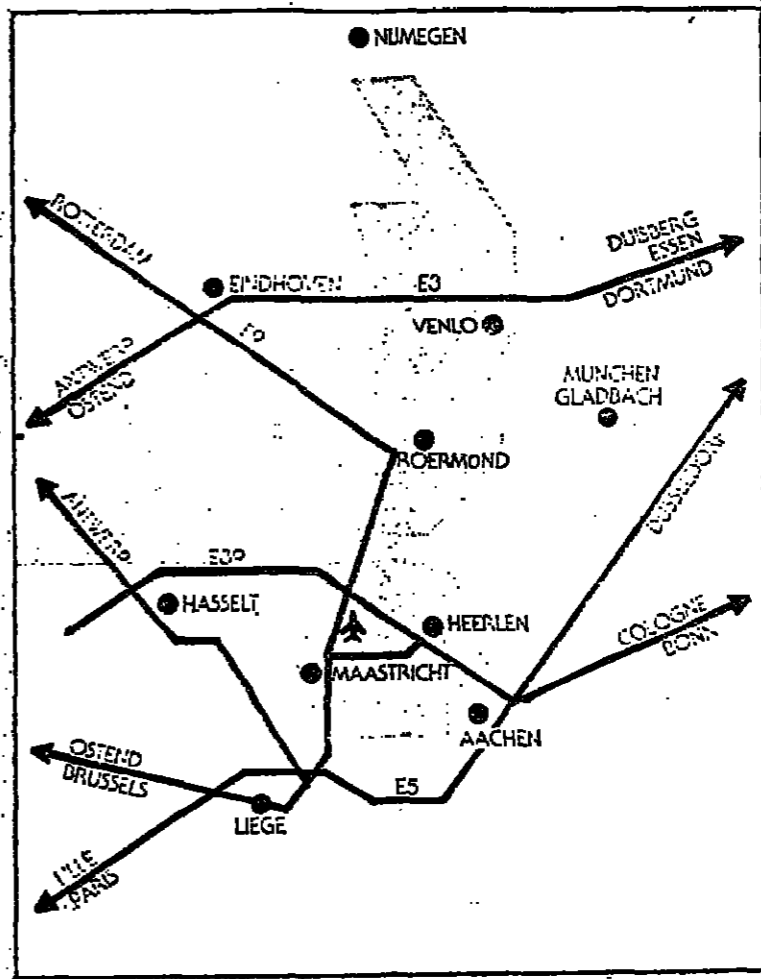
The Dutch government has much of its hopes on the cutbacks in the Japanese shipbuilding sectors announced earlier, and on the efforts within the European Community to prevent internal cut-throat competition, which have already been in force for some time, involve compensation to be paid by the State so that the Dutch yards can accept certain loss-making orders. Likely orders are considered by the Commission to the State on the construction of specialised medium-size ships, multi-purpose carriers, roll-on/roll-off and container ships. The prospects for IHC Gusto yard near Rotterdam have been split into five groups, which structures were considered somewhat better than average, one of the RSV yards should build advanced ship-lifting objects.

The Dutch government has much of its hopes on the cutbacks in the Japanese shipbuilding sectors announced earlier, and on the efforts within the European Community to prevent internal cut-throat competition, which have already been in force for some time, involve compensation to be paid by the State so that the Dutch yards can accept certain loss-making orders. Likely orders are considered by the Commission to the State on the construction of specialised medium-size ships, multi-purpose carriers, roll-on/roll-off and container ships. The prospects for IHC Gusto yard near Rotterdam have been split into five groups, which structures were considered somewhat better than average, one of the RSV yards should build advanced ship-lifting objects.

first step into a new market



LIMBURG crossroads of the Common Market



for all information apply to: NV INDUSTRIEBANK LIOF POSTBOX 800, MAASTRICHT, NETHERLANDS. Telephone (31) (043) 54181; telex 56706.

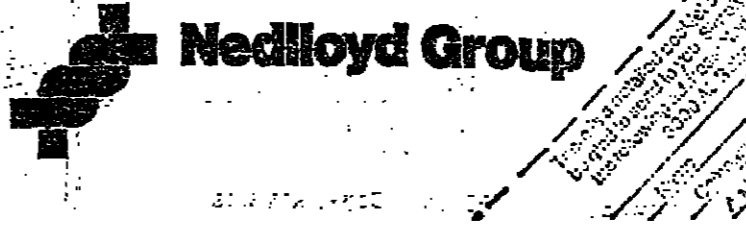


We're a big name in world transport. It's time you got to know us a little better.

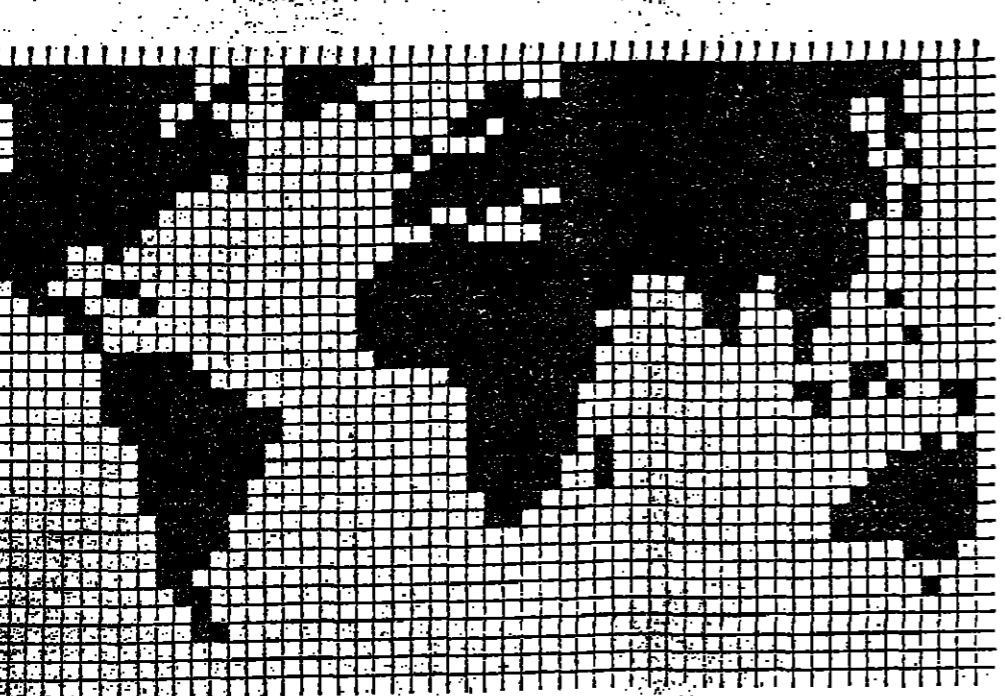
Our name is the Nedlloyd Group. A name that probably conjures up the sea and the world of shipping. The assumption would in fact be quite right, but there's something else you ought to know. Shipping has been, and still is, the backbone of our operation. But we no longer deal with just shipping alone.

A tightly-knit combination. Today, in 1977, the Nedlloyd Group (which used to be known as the Netherlands Shipping Union Group of Companies) is a tightly-knit combination of shipping lines, stevedoring companies, forwarding companies and transport, airfreight, offshore drilling and industrial service businesses. Altogether there are around a hundred companies, employing some 17,000 people all round the world. It's a dynamic organization, growing all the time. Between 1970 and 1976, turnover rose from Dfl. 1460 million to Dfl. 2390 million. Over these seven years, investment totalled Dfl. 2725 million - and Dfl. 1870 million of this came from the Group's own cash flow. (One Dutch guilder is about U.S. dollar 0.40)

Balanced structure. Our success is very largely due to the careful and patient building of a well-balanced, integrated group of complementary companies. A ship, or an aircraft, or an articulated truck all fit in equally well with the broad outlines of our corporate philosophy. This makes it possible to offer such a comprehensive package of services.



PAKHOED*



Services for industry, trade and transport, worldwide.

- Storage of bulk liquids (crudes, oils, petroleum products, chemicals) and of dry bulk cargo (coal, grain) Cold storage Warehousing (including inventory management and distribution) Forwarding Airfreight forwarding, warehousing, distribution and trucking Port terminal operations (stevedoring of general cargo and containers) Shipping agencies and brokerage Road haulage Coal production and marketing Real estate development, management and investment Engineering services

Shares of Pakhoed Holding NV are quoted on the stock-exchanges of Amsterdam, Paris, Dusseldorf and Frankfurt. For more information please apply to Pakhoed's Public Relations Departments in The Netherlands: 3000 AW, Rotterdam, P.O. Box 383; United States of America: Houston, Texas 77027, 2000 West Loop South, Suite 1800

years and Insiders OPENNERS' and

THE NETHERLANDS XIV

ENERGY

Curbs on consumption

AT THE TIME of the Arab oil embargo some four years ago the Netherlands needed relatively little oil because of the dominant role of natural gas in domestic energy usage. In view of Rotterdam's importance as a leading European refinery centre, the oil companies had been forced to divert non-Arab oil to the port, to enable their many plants to continue production, so the Dutch did not really suffer from an oil shortage.

Largely thanks to abundant indigenous gas, much of which is exported, and the import substitution effects, the Dutch balance of payments is able to show a healthy surplus, the Guilder is strong and the country has been able to build up its welfare state.

With natural gas covering nearly 55 per cent of energy consumption (oil covers nearly 40 per cent), energy still means gas in Holland. Domestic oil production is almost negligible and there have not been any major oil finds in the Dutch continental shelf. Coal is being imported in increasing quantities and many mines have been closed in recent years. The start of a major nuclear power programme has been delayed, as the planned three 1,000 MW stations will not be completed before the 1980s.

The country is still the largest gas producer in the European Community, as well as its chief exporter of gas. According to recent estimates, this year's total gas sales by the Gasunie national distribution company will amount to 87.4bn. cubic metres. Exports will account for 50.7bn. cubic metres and the four main customers are West Germany (taking 22.6bn. cubic metres), Belgium (11.6bn. cubic metres), France (9.6bn. cubic metres) and Italy (8.9bn. cubic metres).

In a study by the State Geological Service (RGD), published by the Economics Ministry in March this year, it was noted, however, that total Dutch reserves of gas had actually declined in 1976, for the first time since the start of the gas flow from Groningen in the early 1960s.

Quoting figures on the position at January 1, 1977, the RGD said that total onshore and offshore reserves—proven as well as unproven—had declined to 2,396.9bn. cubic metres from 2,477.3bn. cubic metres the year before. Underlining the dominant share of the giant onshore Groningen deposits, the figures showed that the latter accounted for 1,770.9bn. of the total reserves, of which 1,567.1bn. cubic metres were proven. Other onshore fields accounted for 358.6bn. cubic metres (85.5bn.), while the Dutch sector of the Continental shelf accounted for 367.4bn. cubic metres (106.5bn. cubic metres) at January 1.

In an accompanying letter to Parliament, the Economics Ministry noted that exploration had so far concentrated, of course, on the most prominent structures in the North Sea. But, it said, "with a few exceptions, the gas fields located to date have only been of a very limited size." It added that regular additions to the reserves from major finds in the coming years must, therefore, be considered unrealistic. Commercial gas finds, which are dwarfed by the huge finds elsewhere in the North Sea have been made by Pracid, Shell-Esso, the Pennzoil group and the Petroland group. No commercial oil discoveries have been publicly announced.

Not unexpectedly, a number of Labour MPs and some independent experts have expressed reservations about the Government estimates of reserves which they feel may be too conservative. In the period immediately after the giant Groningen discovery, its size had also been severely understated, it is pointed out.

The Arab oil boycott, the ensuing drastic oil price rises and the growing awareness of remaining reserves after 1900n. cubic metres, the accelerating depletion of the Groningen reserves, have combined to lead to a major revision of the country's energy policy. This had always been to meet any demand for energy electrical power stations would

to encourage the use of natural gas, enabling Holland to become a gas-based economy. Availability of ample cheap gas had meant that the Dutch had become among the biggest energy users in the world on a per capita basis.

For the past three years, policy has been aimed, with mixed success, at economising on energy consumption and on conservation of part of the Groningen deposit as a "strategic" reserve. Although political developments have prevented a quick introduction of nuclear power, research has been stepped up into alternative sources of energy. Certainly in the longer term, priority of supply is given to domestic households, as far as gas supply is concerned, and to gas for high added-value applications. Supplies to power stations are not being expanded, industrial use is being forced down slowly and no new export contracts have been signed.

This means that an additional 500bn. cubic metres will have to be found in extra-reserves, excluding the 55bn. cubic metres already contracted from the Norwegian sector. Since the estimates were published in July, however, it was announced that Gasunie has signed a contract with Sonatrach of Algeria to import 4bn. cubic metres of liquefied natural gas annually, starting in the mid-1980s, to run for a 20-year period. It has also been revealed that negotiations are being conducted with the Nigerian authorities, while the Dutch have been talking about additional quantities of Norwegian gas for some time.

The decision to raise domestic and gas export prices besides providing an attractive increase in income for the government and something of a damper on wasteful consumption, also makes available necessary funds for Gasunie to buy additional quantities of gas on the world market at substantial prices. For the Dutch, however, it remains difficult to reconcile the presence of its huge Groningen deposit with sharply rising gas prices and the signing of substantial import deals.

The decreasing availability of natural gas in the future means extra demands in other energy carriers in view of rising energy consumption. In view of the nuclear energy delays, oil will be the main substitute, and, to a limited degree only, coal. The Central Planning Bureau has forecast that by 1990, the share of oil in Dutch energy consumption will have risen to 32 per cent from 38 per cent in 1975. The sharp decline in the earlier year having amounted to 45 per cent in 1973 and to as much as 50 per cent in 1960.

Price

Central to the Government's policy to curb energy consumption in general and natural gas consumption in particular is price manipulation. Domestic prices for the private sector as well as for the public sector have increased sharply over the past few years, and export prices have been increased wherever possible. As a result the chemical industry has claimed that its natural gas is now much more expensive than it is for Dutch competitors abroad, which is detrimental to its competitive position. Almost all gas prices are now linked to movements in oil prices.

The Netherlands' sole gas distribution company, Gasunie, in which the State has a 50 per cent interest, said in July that according to its 25-year gas plan total production would be 1300n. cubic metres during the intervening period. During the supply will have accumulated to 355bn. cubic metres, of which industry and electrical power stations would

Exporter

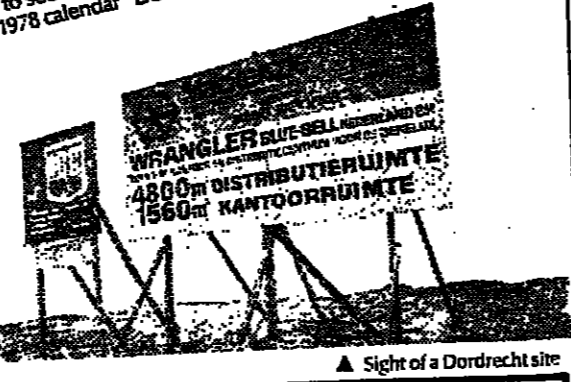
The country is still the largest gas producer in the European Community, as well as its chief exporter of gas. According to recent estimates, this year's total gas sales by the Gasunie national distribution company will amount to 87.4bn. cubic metres. Exports will account for 50.7bn. cubic metres and the four main customers are West Germany (taking 22.6bn. cubic metres), Belgium (11.6bn. cubic metres), France (9.6bn. cubic metres) and Italy (8.9bn. cubic metres).



see the 'sites' of dordrecht

For further inquiries, please contact Dordrecht municipal acquisition dept., P.O.B. 8, Dordrecht or phone (078) 30000 ext. 2201. (If you want to see the sights of Dordrecht as well, ask for our full-colour 1978 calendar "Dordrecht as seen from the water".)

City of Dordrecht
23,500 acres of land and water;
103,000 inhabitants;
Historic town centre/Uncommon outskirts;
Directly situated on the E 10 route;
2 tunnels and 3 railroadbridges for convenient connections in all directions;
Only 14 km from Rotterdam;
Surrounded by the major waterways to Europe;
Sea-port with all loading and unloading facilities;
Residence of many international companies;
Sites available for all kinds of industrial and commercial activities.



NRC Handelsblad incomparable in Holland

Behind the dykes and windmills of Holland exists one of Western Europe's most highly concentrated, highly industrialised societies, with its own expertise in transport, shipbuilding, banking and finance.

How do you reach Dutch opinion leaders and decision makers? There is one simple answer: Through NRC Handelsblad. Traditionally this is the evening paper for the well-educated Dutchman, leaders in top management, banking and government.

NRC Handelsblad
Foreign Advertising Dept.
Westblaak 180 - Rotterdam
Holland Phone: 010 - 14 72 11
Telex: 21243a NDU NL

Joshua B. Powers Ltd.
46, Keyes House, Dolphin
Square London SW1V 3NA
Phone: 01 - 834 - 8023
Telex: 917684



AGRICULTURE

A competitive edge

DUTCH AGRICULTURE has a formidable reputation throughout Europe. Whether in the field of production or marketing, it is to the Netherlands that agriculturalists so often turn these days to see if there are lessons to be learned in improving farming techniques or in the processing and sale of agricultural products.

The predominant nature of the country's basic agricultural raw material, land, is well known. The saying goes, "God made the world but the Dutch made Holland," and it is a fact that were it not for the sand dunes and the intricate system of dykes and canals built up over the centuries, some 40 per cent of the Netherlands would be under water. As it is, much of the countryside consists of flat, fairly fertile land, with a plentiful supply of water, which has provided the basis for the development of a wide variety of temperate agricultural products.

On top of this, Netherlands agriculture enjoys a distinctly advantageous geographical position. The vast purchasing power of Europe's densely populated golden quadrant—Belgium, Northern France, Germany, Southern England and Holland itself—lies on the doorstep, and since the foundation of the Common Market and enlargement in 1973 has been open to maximum exploitation. Many would argue also that Rotterdam has added advantage of the added advantage of cheaper inputs of fertiliser and other farm products like piglets, calves, chickens, eggs and poultry. The arable sector is still notable for one or two specialist crops such as potatoes and herbage seeds, but the mainstay of Dutch agriculture is animal husbandry which contributes approaching 70 per cent of the gross value of agricultural production.

In the milk sector, Dutch farmers have raised their stocking rate from 1.15 dairy cows per hectare in 1950 to 1.7 per hectare at the last count. The average milk yield has gone up by approaching 20 per cent over the same period and the average herd size has risen to more than 19 cows per farm. Again, in the past 25 years, beef production has nearly trebled. Between 700,000 and 800,000 adult cattle, and over 1m calves are now slaughtered annually, the latter being aimed notably at the seemingly insatiable appetite for white veal in West Germany and Italy. Pigmeat production has more than quadrupled over the same period, while a comparable expansion in table poultry output has occurred over the past 15 years.

Production of these meat products is now inevitably in the hands of modern, large scale enterprises. At the last count, some 70 per cent of pigmeat came from farms with more than 100 sows and 85 per cent of poultry meat came from units with more than 10,000 birds. Egg production actually suffered a setback during the 1960s because of the protection afforded to German egg producers during the transition to common EEC prices in 1967. But since their output and exports EEC and the Common Agricultural

have resumed a gradual rise trend. The other notable characteristic of Dutch farming is its remarkably successful expansion of horticulture. The area under open-grown crops has perceptibly declined since 1950, but the area under glass, on the other hand, has more than doubled to some 7,700 hectares. And the tendency has been increasingly to concentrate on enterprises. At the last count, some 70 per cent of pigmeat came from farms with more than 100 sows and 85 per cent of poultry meat came from units with more than 10,000 birds. Egg production actually suffered a setback during the 1960s because of the protection afforded to German egg producers during the transition to common EEC prices in 1967. But since their output and exports EEC and the Common Agricultural

Van der Hoop, Offers & Zoon N.V.

A° 1807
Bankers
Rotterdam



Commercial Banking
88 Westersingel
Telex: 221199
Phone: 010-363688
Rotterdam

Investment Banking
497 Keizersgracht
Telex: 15441
Phone: 020-227311
Amsterdam

مكتبة الأصيل

THE NETHERLANDS XV

MULTINATIONAL COMPANIES

The worldwide expansion

It would be an exaggeration to say that the Dutch invented the concept of the multinational corporation...

The Royal Dutch-Shell Group, one of the world's seven major oil groups—the "seven-sisters"—is owned by Royal Dutch and Shell.

The Royal Dutch-Shell group suffered some setback in profits in 1975 following the quintupling of world oil prices...

Philips' Lamps Holdings stands out among the international Netherlands companies operating under sole Dutch control.

One large Dutch group which has been battling against severe odds is AKZO, the fibres and chemical concern with some 90,000 employees worldwide.



Assembling a fluorescent light fitting in the Philips factory at Oss.

AGRICULTURE

CONTINUED FROM PREVIOUS PAGE

Policy have been of protectionism in the agricultural field or the dilution of Community preference...

The danger is that pressure from France and Italy for special protection for its Mediterranean producers against competition from the newcomers...

The sophisticated, even intimate consultations machinery, some would say, even gives the Dutch Farm Minister and his national officials a competitive edge over their colleagues in ensuring that Dutch agriculture continues to be one of the success stories of the Dutch economy.

Another concern which has had problems in common with the world industry is Hoogovens, the iron and steel business, which has blast furnaces at IJmuiden near Amsterdam and wide-ranging activities ge-

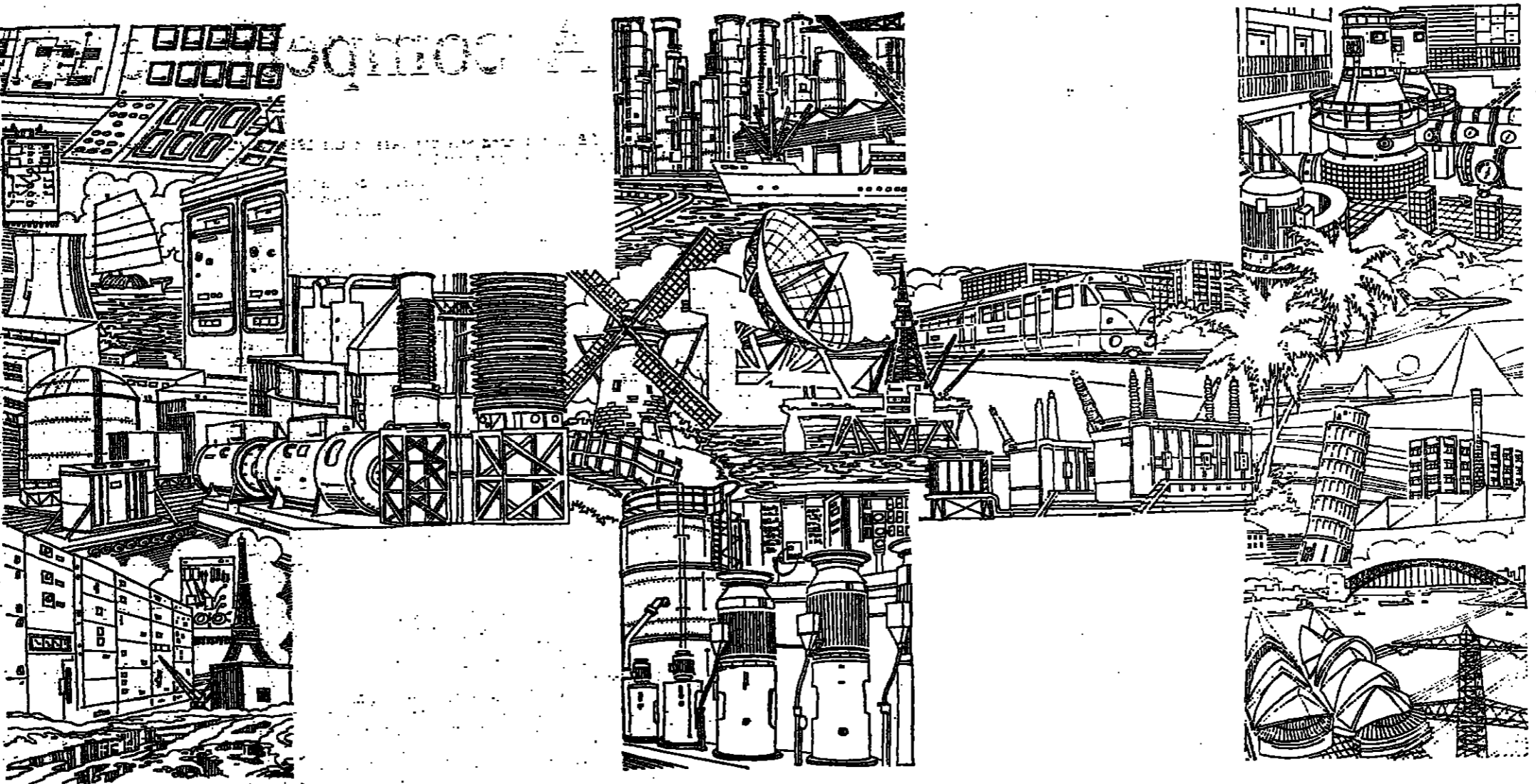
graphically, and which merged operations with Hoesch in 1973. Losses were incurred in 1975 and 1976.

The range of Dutch international companies is not complete without a mention of the insurance industry and its leading concern, Nationale-Nederlanden, subject of a separate article, and of Algemeen Bank Nederland, the largest Dutch bank, which has an increasing overseas business.

The other big Dutch bank, Amro (Amsterdam-Rotterdam Bank) while it has just opened a London office and has a small ago bought Northern Commercial Trust in Manchester, now a representative office in the renamed ABN, to add to its U.S. otherwise looks overseas branches in London and Jersey.

is interested in further expansion in Britain. It would not be surprising if four more offices were opened in Britain in the next five years.

Robin Reeves



HOLEC H

Holec - putting power to work internationally

Wherever electrical power is needed there's a Holec product or system to fill the bill. Whether it's on the generating and distribution side, or in the actual use through motors and traction systems, heating and control systems Holec has the required products and management skills to make power work for you effectively.

Holec started manufacturing heavy-duty electrical equipment more than 70 years ago. It has come a long way since then. Today, Holec is an international company represented both in Europe

and Overseas. There are manufacturing plants in Holland, West Germany, France, Ireland, Spain, Indonesia and Australia and service centres located throughout the world.

It would be difficult to publish a complete list of every item that Holec manufactures and sells. Its range of electrical energy products extends from generating, distribution, transforming and drives, through specialist fields such as offshore, traction and marine industries. In fact almost everything to do with the technology and application of power engineering.

But Holec is more than a manufacturer of high-quality heavy-duty electrical equipment. Holec has a project management well versed in directing the design, manufacture, supply and installation of equipment for complete electrical generation, distribution and control systems on a turnkey basis. Other types of activities managed by Holec are electronic control and fail-safe systems.

A policy of high investment in research and development has enabled Holec to bring the full benefits of the

latest technology to its range of products and systems. It isn't just technology for its own sake. The application of modern technology provides real benefits in new products, increased reliability and longer life times, which have given Holec an international reputation.

Holec nv, Utrecht, Holland, p.o. box 2631.

HOLEC H

THE NETHERLANDS XVI

TOURISM

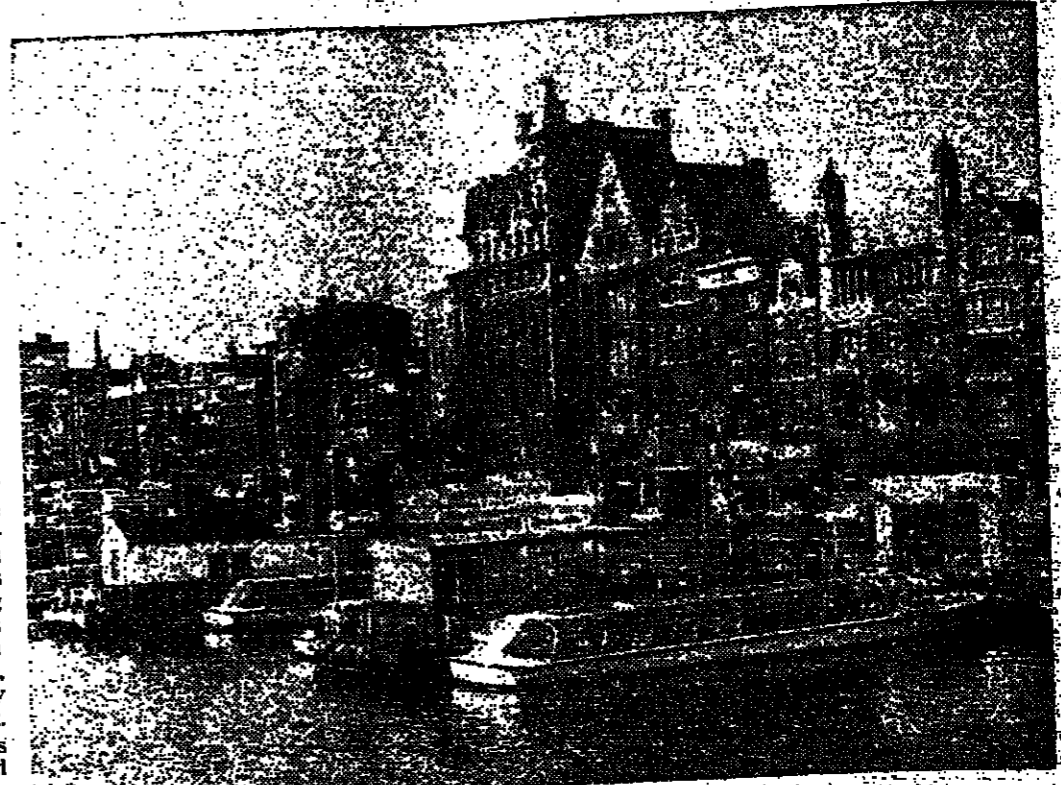
Prices a handicap

AS A TOURISM centre the Netherlands is fortunate in enjoying a distinctive international image which needs little publicising. The mere mention of its name is likely to evoke automatically in most people's minds many of the same features which attract hundreds of thousands of tourists every year: the elegant architecture, tree-lined canals and art galleries of Amsterdam, tulip fields in springtime and a serene landscape of meadows, dykes and windmills.

The Dutch also have a deserved reputation for open-mindedness towards foreigners, which is exemplified in their attitude towards language. The visitor from abroad is not expected to be able to converse in Dutch—indeed, very often he is actively discouraged from trying to do so, especially if English is his mother tongue. Most Dutch people learn English at school, and even in the country they relish the opportunity to use it.

In the past few years, this easy-going tolerance has exerted a growing appeal for students and other young people. Significantly, usage of youth hostels has increased by almost a third since 1970 (measured in terms of the number of nights spent there), and the Dutch National Tourism Office publishes a special brochure for young visitors. Together with information about low-cost accommodation and restaurants it lists public centres offering advice and help for those with drug, sexual or psychiatric problems.

The big cities are the main draw for most foreign tourists: according to the Tourism Bureau, more than half of all foreign visitors stop off in Amsterdam, The Hague and Rotterdam. But the popularity of camping has been growing rapidly, and the use of camp sites has risen by more than 60 per cent since 1970. The most popular spots are the North Sea coast and the offshore Wadden Islands, which offer sandy beaches and a windswept scenery unspoiled by commercial development.



Tourist boats on the Damrak, Amsterdam.

stay of Dutch tourism, accounting for more than 40 per cent of foreign tourist traffic. But there have been recent indications that their traditional loyalty may be weakening. The great majority of them come from nearby North-Rhine-Westphalia and favour the Dutch coast, but an increasing willingness to travel longer distances and the realisation that the Dutch mark buys even more in countries like Italy and Spain have caused some of them to start venturing further afield for their summer holidays.

The effect of these trends is made worse by the fact that the Dutch themselves are tending to take more holidays outside their own country, a phenomenon vividly illustrated by the number of Dutch-registered cars to be seen on the Dover-to-London road in summer and over national holidays. In 1973, the number of Dutch people holidaying abroad exceeded those staying at home for the first time, and the gap has continued to widen, reaching more than 500,000 last year.

Persistence of these tendencies over the longer term will inevitably mean increasing difficulties for a small, though significant part of the Netherlands economy. Tourism accounts for four per cent of the gross domestic product and, directly and indirectly, about the same percentage of employment. Its importance is potentially even greater because, with employment in manufacturing industry in a deep decline, it is one of the service industries to which some economists and trades unions have looked to take up some of the slack in the labour force.

Though efforts are being made to prevent a further deterioration of the situation, the Dutch tourist authorities admit that there are no easy answers. In a move to stimulate up-market business, casinos were legalised in 1973 and the first one to open, in Zandvoort in 1975, is said to be thriving. Somewhat less successful attempts have been made to attract a greater share of the highly competitive international convention business to the Netherlands.

But so long as the guilder retains its recent strength, the Germans are, nationally speaking, very much the main-

future moves to stimulate the industry will almost certainly have to be aimed at appealing features, tending to be of greater numbers and rather unimaginative. For those with a taste for oriental dishes, however, the nesian Rytstafel is not to be missed.

The Dutch tourism office also trying to promote a great seasonal variation in tourist traffic, which tends to be bunched in the peak summer months of July and August. Talks are under way in the OECD Tourism Committee, as bilaterally with German authorities, on the possibility of staggering school holidays, different European countries, as to give a more even spread to tourist travel patterns.

Guy de Jonquier

The whole world feels at home



with Hagemeyer

In Europe, Asia and Africa Hagemeyer is just as much at home as in the Americas and Australia. On all these continents Hagemeyer is active in distributive trade.

Hagemeyer is an international trading company with Dutch-based headquarters. Hagemeyer operates with over 100 companies in 33 countries. In all these countries Hagemeyer sells thousands of products. Some of them are manufactured in the company's own factories. For most of its product lines Hagemeyer acts as exclusive distributors for numerous leading manufacturers of international standing.

Since the beginning of this century Hagemeyer's range of products has continuously expanded. Hagemeyer's market continues to grow daily. A market where in particular consumer goods are traded, but where technical articles hold an important place too.

Hagemeyer has a strong position in countries which are in full expansion. That is why Hagemeyer itself also stands for strong growth. With turnover close to \$ 600 million, Hagemeyer is one of the world's most diversified trading organisations. An organisation which continues to grow daily.

Hagemeyer nv
a world in trade



Hagemeyer N.V. Rijksweg 69 P.O. Box 5111 NAARDEN THE NETHERLANDS Telephone: 02159-4 62 17

Océ Océ-van der Grinten N.V. nine months' results (including Ozalid Group Holdings Limited)

Set out below is an excerpt of the announcement published on 20th October 1977, by Océ-van der Grinten N.V. giving its nine months' results, consolidating for the first time the figures for Océ-van der Grinten Finance Limited and Ozalid Group Holdings Limited, its new wholly owned subsidiaries.

	nine months ended 31st August 1977	nine months ended 31st August 1976
	Dfl. 1,000	Dfl. 1,000
Turnover	847,865	544,713
Operating profit	63,342	48,757
Balance non-operating income and charges	15,982	7,905
Profit before taxation	47,360	40,852
Taxation	19,662	18,319
Profit after taxation	27,698	22,533
Net profit attributable to Océ shareholders	27,557	22,225
Cash flow	75,106	53,815
Per share of Dfl. 20.	31st August 1977	31st August 1976
Number of shares outstanding	1,743,567	1,452,298
Net profit	Dfl. 15.81	Dfl. 14.93
Cash flow	Dfl. 43.08	Dfl. 36.19

The accompanying figures for the Océ Group relate to the first nine months of the financial year 1977. For the first time figures have been included for the Ozalid companies which joined the Océ Group through Océ-van der Grinten Finance Limited, a UK investment holding company, in April of this year.

However, the results of the Ozalid companies relate to eight months because Ozalid's financial year started on 1st January 1977, whilst Océ's commenced on 1st December 1976. It has now been decided that the financial year of the Ozalid companies will in future run concurrently with that of Océ.

The results of the Ozalid companies have been arrived at in accordance with consolidation and

valuation principles applied by the Océ Group. Business in the Océ Group (including the Ozalid companies) is developing satisfactorily. The integration of Ozalid in the Océ Group is proceeding according to plan.

The expectation that, for the financial year 1977, net profit per share in the capital as increased by the rights issue in April 1977, will be equal to that of 1976, still holds good.

Interim Dividend
For the current financial year an interim dividend of Dfl. 3.60 (1976: Dfl. 3.40) will be declared on each ordinary share of Dfl. 20. This interim dividend will be payable from 1st November 1977.

For further information regarding Océ-van der Grinten N.V.:
The Secretary, Océ-van der Grinten N.V., P.O. Box 101, Venlo, Netherlands
The Secretary, Ozalid Group Holdings Limited, Langston Road, Loughton, Essex IG10 3TH



Falling

The tendency among tourists to opt for cheaper accommodation or to bring their tents and caravans with them has, not surprisingly, been greeted with some reservations by the Dutch tourism industry. Hoteliers complain that though the overall number of foreign tourists has remained fairly buoyant, the amount of money they spend per head has been falling. Between 1973 and 1976, foreign tourists' expenditures rose by less than 5 per cent, to about Fl.2.8bn.

One of the main reasons, of course, is that inflation and the strength of the guilder have made the Netherlands an expensive place for many people from abroad. The tourism industry has watched with dismay as the declining value of the pound has gnawed away at receipts from sterling area residents. These dropped by 18 per cent in 1975, 22 per cent last year and are estimated to have fallen by still another 30 per cent in the first half of this year. They now account for less than 5 per cent of all foreign currency earnings from tourism against almost 10 per cent in 1970, though more tourists still visit the Netherlands from Britain than from any other country except Germany.

The Germans are, nationally speaking, very much the main-

stay of Dutch tourism, accounting for more than 40 per cent of foreign tourist traffic. But there have been recent indications that their traditional loyalty may be weakening. The great majority of them come from nearby North-Rhine-Westphalia and favour the Dutch coast, but an increasing willingness to travel longer distances and the realisation that the Dutch mark buys even more in countries like Italy and Spain have caused some of them to start venturing further afield for their summer holidays.

The effect of these trends is made worse by the fact that the Dutch themselves are tending to take more holidays outside their own country, a phenomenon vividly illustrated by the number of Dutch-registered cars to be seen on the Dover-to-London road in summer and over national holidays. In 1973, the number of Dutch people holidaying abroad exceeded those staying at home for the first time, and the gap has continued to widen, reaching more than 500,000 last year.

Persistence of these tendencies over the longer term will inevitably mean increasing difficulties for a small, though significant part of the Netherlands economy. Tourism accounts for four per cent of the gross domestic product and, directly and indirectly, about the same percentage of employment. Its importance is potentially even greater because, with employment in manufacturing industry in a deep decline, it is one of the service industries to which some economists and trades unions have looked to take up some of the slack in the labour force.

Though efforts are being made to prevent a further deterioration of the situation, the Dutch tourist authorities admit that there are no easy answers. In a move to stimulate up-market business, casinos were legalised in 1973 and the first one to open, in Zandvoort in 1975, is said to be thriving. Somewhat less successful attempts have been made to attract a greater share of the highly competitive international convention business to the Netherlands.

But so long as the guilder retains its recent strength,



Kalverstraat shopping precinct, Amsterdam.

ROTTERDAM TRADING COMPANY

Long-established Dutch company, subsidiary of an international Dutch group, ideally situated within Rotterdam harbour and industrial area with good facilities in

- storage space, office and transport
- selling industrial and ships' hardware
- protective clothing and footwear
- electrical products for shipping and industrial concerns

seeks contact with U.K. companies operating on the Continent interested in their services and/or co-operation.

British companies who wish to start business in the Netherlands are also invited to contact us with a view to financial and/or managerial participation in promoting their products.

Prepared to act as sole importer continental or local agent or distributor.

All enquiries should be addressed to:

HANDELSCOMPAGNIE B.V.
ROTTERDAM—P.O. Box 5050



What's playing at the Marriott

But the Amsterdam Marriott is a hotel. That's right. But every one of our 400 rooms has closed circuit colour TV showing great films (free of charge). With individual air-conditioning and Minibar too. Now that's luxury. There's more: 24 hour room service, two restaurants and live entertainment in our cocktail lounge and bar and a heated terrace overlooking the Leidseplein—right in the warm beating heart of Amsterdam. Marriott, the 5-star hotel where business becomes a pleasure.

Amsterdam / Marriott

Stadhouderskade 21, Amsterdam, The Netherlands
Phone: 020-835151 Telex 15087
Call Marriott National Sales Office London Phone: 01-4938592
Or call your local Supranational Reservations

مكتبة الأصيل

SOCIETY TO-DAY

Political response to the National Front

...ING JUST been described... Socialist Challenge... a long commentator for the... class... I feel particularly... qualified to address a... tion to that very class... We leading commentators... when to take advantage... re question, which is... us one, is "how many more... 16 people must the National... recruit before you stop... ing with your eyes shut... re your hands from your... only on those rare... sions when you write... "

schoolchildren and football supporters; the latter was part of a Panoram programme prepared for showing last night. I find the recruitment from the football crowds wholly unsurprising. Any member of the "ruling classes" who fails to follow this should leave the seats and move to the behind-the-goals terraces, where the shouting, singing, comradeship, and rough-and-tumble are quickly turned, by a blink of the imagination, into a mass party rally.

national socialism have been brought together by a combination of circumstances. It would be wrong to deduce from this that the threat was a large one; in fact the most remarkable thing about it all is the limited extent of the influence of the National Front and politics associated with it. Perhaps one reason is the steadfast opposition to racial politics expressed by all the fringe parties of the Left, which is wholly to their credit—the more

their record in trying to reduce racial discrimination on the shop floor is a poor one. Determined leadership from the top would not by itself change our social attitudes, but the present unwillingness to do anything that seems "soft on immigrants" must surely constitute a signal to the country as a whole that certain attitudes have now started to be come respectable. I have two specific examples: the way prospective

applications from Indians and Pakistanis. Some of the recommendations—"no more interviewing alone of children under the age of 14" and "introduction of women interpreters" speak for themselves. If we handle non-white people so crudely in the former outposts of what was once an Empire, it should not shock us if back in the metropolitan country zones of hooligans find sport in baiting black victims. The second, and far more important, example is the state of our nationality law. A new Runnymede Trust publication, out today, shows clearly why the notion of "citizenship" has become devalued by successive and confusing changes in the law. Miss Usha Prashar, the Director of the Trust, traces this confusion back to the Imperial Act of 1914, and through the recent series of Immigration Acts: Mrs. Ann Dummert explains the Government's recent Green Paper on possible changes and adds her own comments.



Asian refugees from Uganda arrive in Britain.

given the protection of citizenship.

This is the only untidiness she perceives; apparently it is enough to arouse cries of shock and horror from a certain kind of official. It should not, since we are now losing population through emigration and those 200,000 would not arrive together, or even necessarily at all.

The advantages of her scheme are clear. The Indian and Pakistani immigrants would be either British citizens—straightforwardly enough—or Indian or Pakistani citizens with temporary work permits. It would depend on individual circumstances. Citizenship would regain its lost stature, independent of the race of the citizen. The fears aroused by anti-immigration propaganda could be met with a plain reply: We would no longer be the victims of our own legal hypocrisy.

Such changes in the law would at first be remote from the football terraces in which the Front seems to be working. But the proper response to their kind of politics is an expressed determination to tackle the problem at its roots. The Labour Party has been arguing with itself about whether certain marches should be banned if they seem likely to lead to a street battle between Left and Right. This is beside the point: a genuinely responsive democratic Government should be asking itself why people are on the march and what ought to be done about it. The path is less inflammable race relations is not easy to find; we will not begin to approach it until what Socialist Challenge calls the "ruling class" develops the courage to do what it knows is right.

Table titled 'IMMIGRATION FROM NEW COMMONWEALTH' showing population statistics from 1971-72 to 1976-77. Columns include 'Mid-year to mid-year in thousands', 'Population at beginning of period', 'Births', 'Deaths', 'Natural increase', 'Migration', 'Change in year', 'Population at end of period', and 'Per cent. of home population at end of period'. Data points are provided for each year, with a total for 1976-77 showing 3,300 to 3,800.

is possible that this notion should not be addressed to "ruling class," since the case does not have quite the clarity of precision that one might prefer. Perhaps the notion should be broadened... When will the dangers of present policy of nervous fear of "racial" tension be noticed by our political class—but these nuances the question itself must be asked, and asked again, until answered.

The weapon of crowd hysteria is there for extremist parties of either the Left or the Right to use: in some of the recent mass demonstrations and picket lines it has been possible to see some of the same faces as those in the football crowds. The same sense of solidarity is there, although the words of the chants may sometimes be different, the same rhythms give them life.

immigrants are treated when they apply for permission to fly to Britain, and the State of nationality law. For the first, there is now considerable evidence to suggest that our system of questioning and investigating the claims of non-white dependents of residents of this country is an unnecessary cause of distress that is often unfair. Those who doubt this should take another look at the smouldering ruins of the recent Central Policy Review Staff ("Think Tank") report on our overseas representation. Whatever some may think of its general merits the report's Chapter 10, on control of entry into the U.K., stands as a sobering description of the insensitivity with which some officials treat the job of sifting

so in view of the difficulties of such a policy in certain working-class constituencies. But although the threat is small, it should not be ignored. I suppose that we leading commentators for the ruling class should be delighted that the Left-wing parties are restricting their own prospects for expansion by their unequivocal commitment to a multi-racial approach that is not popular in some pubs and clubs—but that would be a very short-sighted approach. What is more to the point is the apparent absence of the necessary degree of expressed concern on the part of our political and business leaders. The trade union leaders say pious things from time to time, but

Letters to the Editor

Accounting and Inflation

all, inflation continuing at levels so punitive to many that even the most captive users slowly fade away. Who will deny that whatever other forces are at work, fewer users mean more unemployment? Union members being users too, surely they have no wish to be classed with the looney who kept hitting himself on the head with a hammer, because it was so deep when it stopped? Can the Federation be formed from professional and user associations, not affiliated to the TUC, whose codes of conduct include a duty to protect the public interest in matters of safety, health and welfare? It would join with the Government, the CBI, and the TUC to sponsor a new Advisory Conciliation and Arbitration Service. Such a service might have four main guidelines: Protection of the fair interests of the users. The right job for the right price at the right time. Owners, managers and labour of each enterprise to work together as a team. No "we and they" and no "closed shop." The closed shop has two fatal flaws. Workers whose ethics prevent them from obeying orders to bash the users, are deprived of their livelihood. But the ethics of trade union leaders prevent them from taking away the livelihood from underlings who bash the users in defiance of orders from their seniors. Fair rewards for those whose brains, guts and skills the successors of the enterprise chiefly depend on. Fair is not equal. But it should be more worthwhile to work than to remain idle. Development plans which involve redundancies, to include those with sympathy and help for the made jobless. Surely now is the time for the sponsors of the new ACAS to work out a nationwide scheme for training and re-training the jobless workers, unskilled, semi-skilled and skilled towards the new types of jobs the future needs. Who does the future problems to be stifled at birth. Of course some union members will still bash some users. But should not employers and contributors in all industries contribute to a fund from which users would be compensated. It would, of course, be only fair for the bashers to contribute more than the bashed. T. T. Lambe, 143a, Ashley Gardens, Thirleby Road, S.W.1.

Chances of ownership

From Mr. G. Mackay. Sir—I write as a small British Leyland shareholder who, for obvious reasons, wishes the company well. Each time I have picked up a newspaper last week I have read that my "chance of owning a new Rover have just doubled." This statement puzzles my arithmetical logic. As the new Rover 3500 is continuing to be built as well as the new 2300 and 2600 I should have thought that my ownership chances have not merely doubled but indeed tripled.

No exclusion clauses

From the Press and Public Relations Officer, Association of British Launderers and Cleaners. Sir—in reply to the article by John Phillip on the Unfair Contract Terms Act (November 5), I would like to point out that under the association's code of practice no members use exclusion clauses and it must be emphasised that more than 75 per cent. of all professional launderers and drycleaners are members of the Association of British Launderers and Cleaners. Our code, prepared in consultation with the Office of Fair Trading, goes beyond the strict legal requirements of the Act by banning exclusion clauses altogether, whereas the Act allows the trader to try to convince the Court that a particular clause was "fair and reasonable." The vast majority of laundries and drycleaners will not, therefore, be affected by the new Act and customers using their services will continue to receive the fair deal that our code of practice provides. (Mrs.) W. McClement, Lancaster Gate House, 319, Pinner Road, Harrow, Middlesex.

Tax allowance on fares

From Mr. T. Platt. Sir—May I raise again the vexatious subject of increased rail fares against a seeming lack of editorial comment in the national newspapers. The recurring monotony of fare increases, and lack of improved services, is depressing in the extreme. If the Government were to allow travelling to one's place of work by public transport as tax allowable (as on the Continent), it would not only help the individual, but by keeping cars off the road, ease traffic problems in our cities. It would, therefore, adhere to the Government's wish of saving fuel, and give British Rail a chance to break out of the cycle of constantly passing on its costs to the travelling public. Surely it is not beyond the wit of Government to design a package acceptable to all? Perhaps the time is ripe for an urgent study of this kind. T. E. Platt, Demitite Lodge, Goring-on-Thames, Oxfordshire.

Air-cooled turbines

From Mr. W. Whalley. Sir—Your report (November 11) that Iran is placing large orders for nuclear power stations with German suppliers, mentions the use of air cooling for the turbines. The Persians, for reasons of their own, are, I suggest, giving us a broad hint from which we might well profit. The use of water cooling, which is general in this country, imposes limitations on the design or siting of power stations, whether fossil or nuclear fuelled. Straight-through cooling means that a large river must be sited on the station or the coast. Evaporative cooling involves the use of lofty towers which greatly enhance the profile of the station. Those of Didcot, for instance, dominate the countryside for 20 miles around, whereas the rest of the station is relatively inconspicuous. The use of air cooling would surely have enabled a significant reduction in the overall profile of that station. Moreover the adoption of air

Sabbatical years

From Mr. W. Chamberlain. Sir—If they are to achieve anything, members of the Manpower Services Commission must examine the whole problem of the misdeployment of labour, of which their chief preoccupation—unemployment—is only one facet. The economy is much more likely to founder on the unquantified, hidden mass of those under- or mis-employed than on the 1.5m. unemployed who constitute the tip of this dangerous iceberg. Perhaps the MSC should determine the size of the labour force required to support a sound economy which would be certainly less than our current labour force. Its second problem would be to find an acceptable method of withdrawing the surplus from the labour market. There are a number of alternatives, but only a few would be acceptable to individuals, employers, unions or the Government.

Too comfortable an existence

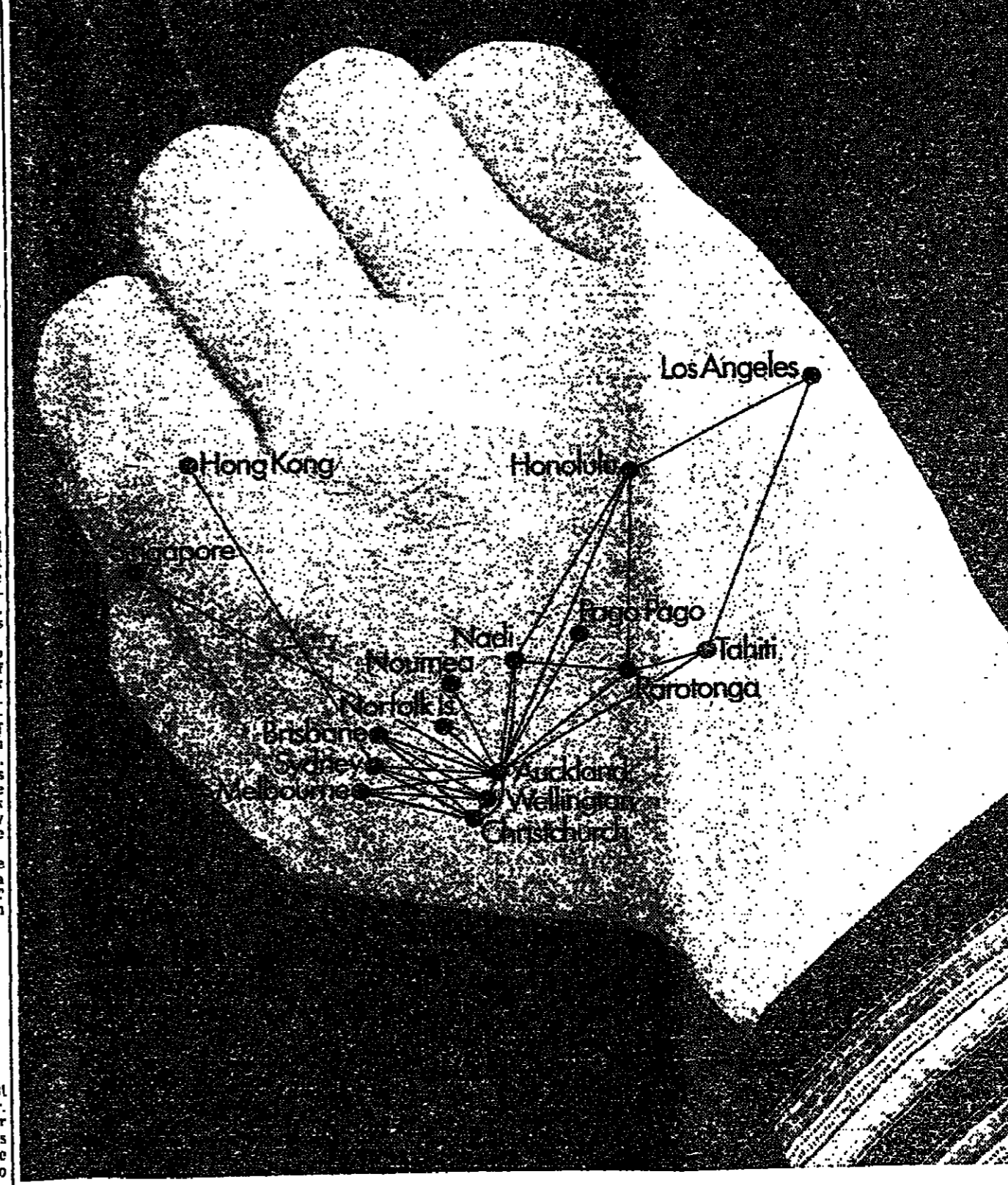
From Mr. P. Seabrook. Sir—Sir Thomas More must be hysterical at the words of Mr. Willie Hamilton, Labour MP for Fife Central. Mr. Hamilton is attempting to undermine the "good Tory Royalists" who have taken great pleasure in experiencing the genuine warmth of patriotism during this Jubilee year. While fully supporting the ideals of free-speech, I fail to understand why our ardent would-be Communists and anti-Monarchists don't go to live in countries which satisfy their needs. Or do we offer too comfortable an existence to these reformers? If so, I am glad to inform both the aforementioned rador martyr, together with all other good Tory Royalists that the death penalty is still applicable to verdicts of treason. P. G. Seabrook, 18, Hyde Park Square, W.2.

Bashing the users

From Mr. T. Lambe. Sir—Calls for some trade reform evoke dire threats in severest reprisals against attempt at "union bashing." But what about the bashing meted out to the users? The unions, sometimes venturing to actual physical or even, indirectly, death-like power cuts, bread shortages, transport services withdrawn, holidays ruined, fellow workers made jobless, and above

To-day's Events

- GENERAL: Confederation of British Industry's first national conference ends, Brighton. General and Municipal Workers' Union claim compensation from British Nuclear Fuels following deaths of two employees, Carlisle Crown Court. National Congress of Communist Party of Great Britain ends, Camden Town Hall, N.W.1. Retired trade unionists lobby House of Commons for better pensions, 3 p.m. Mr. Anthony Tuke, chairman, Barclays Bank, speaks at American Chamber of Commerce lunch, Savoy Hotel, W.C.2. International Exhibition for Food and Allied Industries opens Olympia (until November 18). London Chamber of Commerce Small Firms' Group: "Making a Case for Finance," 6 p.m., Cannon Street, E.C.4. PARLIAMENTARY BUSINESS: House of Commons: Emergency debate on firemen's strike, Wales Bill, second reading. EEC document on seed and plant marketing. House of Lords: Debates on 28th (4.30 p.m., Room 15). COMPANY RESULTS: Christie Group (half-year), Courtaulds (half-year), Royal Insurance Company (third quarter figures). COMPANY MEETINGS: Amalgamated Tin Mines 55-61, Moorgate, E.C.12, Stoddard Holdings, Elderslie, Renfrewshire, 12. Board (4 p.m., Room 8), Expenditure, Defence and External Affairs sub-committee. Subject: CFS (Think Tank) Review of Overseas Representation. Witnesses: Foreign and Commonwealth Office (4.30 p.m., Room 15). COMPANY RESULTS: Christie Group (half-year), Courtaulds (half-year), Royal Insurance Company (third quarter figures). COMPANY MEETINGS: Amalgamated Tin Mines 55-61, Moorgate, E.C.12, Stoddard Holdings, Elderslie, Renfrewshire, 12.



Ask us how well we know the South Pacific. We'll tell you Air New Zealand has more connections in the South Pacific than any other airline. We offer 13 flights a week, via our gateways: Los Angeles, Hong Kong and Singapore. In comfortable, wide-bodied DC-10s, with service that's second to none. Remember Air New Zealand when you're flying to the South Pacific. We know it like the back of our hand. London: 15 Charles II St., SW1E 4QU. Tel: 01-930 1088. Manchester: Room 142, Royal Exchange, M27 6Z. Tel: 061-832 3266. air new zealand We fly the Pacific.

Yarrow up to £1.81m. without shipbuilders

CLAUDING Yarrow (Ship Co. out of available profits of £1.81m. and Yarrow Trading Yarrow (Shipbuilders) require £1.81m. for the year to June 30, 1977. Government approval of the 1977 pre-tax profits of Yarrow during the four years to June 30, 1977, advanced from £1.81m. to £1.81m. for the year to June 30, 1977. Comparatives have been paid, including £750,000 in 1976-77. In the same four-year period total earnings are shown at 27.5p per share available for distribution (27.5p) per 50p share and the dividend is £1.148 per share. Applications have been made for the audited accounts of Yarrow approval for a further distribution (Shipbuilders) will be reproduced out of the cumulative retained profits as a note on the Yarrow profits of Yarrow (Shipbuilders) accounts, together with a statement of the relevant figures under the terms of ED 19, no Yarrow (Trading). In the year in respect of capital

Samuel Props. sees growth

Viscount Bearsted, chairman of Samuel Properties, says company profits should continue to improve and in the future a contribution from the group's residential and dealing activities is expected. And in his statement with accounts he adds that now the group has weathered the recent difficulties of the property industry and achieved a position of financial strength shareholders will be able, legislation permitting, to benefit from increased dividends and the expected continuity of the increase in net assets per share. In the current year accounts will include the remainder of the surplus from the sale of the Fareham shopping development, sold in 1976-77, to Standard Life Assurance Company. Samuel will also receive a full year's profit rental from its leasehold interest in the Chelmsley Wood and Sirling centres. Rental income from West Germany rose substantially in the year ended June 30 and the 1978 contribution will be further enhanced by the lower current interest rates. Viscount Bearsted is confident the most northern of its three offices, Frankfurt, building will be let in the next few months. Overall the decline in inflation, and the current availability of substantial funds for commercial, industrial and retail enterprises at more reasonable rates of interest should enhance demand for accommodation. The company, with its excellent portfolio of properties and developments in progress, such as the industrial estates in the Midlands, should in future benefit from this trend both from rent reviews and lettings. The company is also selectively increasing its involvement in residential building. The year just ended the taxable balance turned around from a £148,823 loss to a £921,736 profit, with a 2.1p total dividend paid, partially from retained profits. Meeting, 19 St. James Square, S.W., on December 21 at 3 p.m.

BOARD MEETINGS

The following companies have notified their boards of directors of the results of their annual general meetings. The following companies have notified their boards of directors of the results of their annual general meetings. The following companies have notified their boards of directors of the results of their annual general meetings.

Commercial Union Assurance Company Limited

The Board announces estimated and unaudited profits for 9 months to 30th September 1977 of £42.3m. (1976 £16.7m.) for providing for taxation.

	9 Mths. to 30th Sept. 1977	9 Mths. to 30th Sept. 1976	Year 1976
Investment income	95.5	91.1	123.9
Underwriting result (table below)	(53.6)	(49.3)	(58.8)
Profit before tax	41.9	41.8	65.1
Profit attributable to shareholders	42.3	16.7	30.1
Earnings per share (shareholders' funds)	12.47p	5.35p	9.64p
Underwriting result	(1.8)	(2.7)	(6.8)
United Kingdom	(4.8)	(3.3)	(28.3)
Australia	1.4	(0.7)	(4.7)
Canada	1.2	0.9	3.0
Western Europe	(15.7)	(11.2)	(17.4)
Remainder	(1.9)	(6.5)	(4.4)
	(21.6)	(49.3)	(59.8)

The results of the Company's overseas operations have, usual, been converted at rates of exchange at the close of periods reported above. The effect of the rise in the value of sterling between 30th September 1977 and 7th November 1977 is estimated to reduce Profit Attributable to shareholders of £42.3m. for the 9 months, by approximately 8m.

World-wide premium income shows a reduction of 2% however, after allowing for changes in rate of exchange and effect of the sale of the Australian and German companies during 1977, the growth in our premium income was approximately 7%.

In the United Kingdom the underwriting result is after King credit for a further £1.1m. making £3.2m. for the year date, arising from the change made this year in the method calculating unearned premium provisions. There has been improvement in underwriting results during the 3rd quarter, particularly in the Motor and Fire classes.

In the United States the underwriting experience continues to improve in all major classes and an underwriting profit was made in the 3rd quarter. The statutory operating loss for the 9 months to 30th September 1977 was 101.2% compared with 106.9% for the same period last year and 104.8% for the 9 months to 30th June 1976.

The increase in investment income reflects a growth in the value of investments and from 1st April includes things of approximately £1.8m. before tax in respect of the House Investment Trust Limited. Income from the British and German companies sold earlier this year has been included in the same period of 1976 this amounted to £2.1m.

The Company has reviewed its deferred taxation account. In the light of the proposed statement of standard accounting practice (ED19) issued by the Accounting Standards Committee, in concurrence with the Company's auditors, it has been decided that the adoption of the principles contained in ED19 gives a more realistic view of the Company's assets and liabilities and also brings our practice more into line with the insurance industry. The accounts for the year will therefore be prepared on this basis. The approximate effect of this change on the 9 months figures shown above is to increase the Profit Attributable to Shareholders by £2.3m. to approximately £4.5m. and the Shareholders' Funds from £444m. to approximately £467m. It is emphasised that the tax charge for the 9 months to 30th September 1977 is on a new basis and is not necessarily to be taken as a reliable guide for the year as a whole, or for subsequent accounting periods. Similarly, the addition to Shareholders' Funds shown above as at 30th September 1977, attributable to the change in the basis of deferred taxation will differ at the year ending upon movements in the value of investments and other circumstances prevailing at the time.

As announced on 24th November 1977, the Company is to raise approximately £73.8m. after expenses, by issue of 28,719,200 new Ordinary Shares of 25p each of 10p. The new Shares are being offered to Ordinary Shareholders at a price of 130p per share on the basis of 25p Ordinary Share for every six Ordinary Shares of 25p held on the register at the close of business on 8th November 1977.

	Approx. dividend imputed	Net dividend tax credit
	per Share	per Share
Rate of dividend (including national amount following age in basic rate of income)	6.912	10.551
Imputed dividend	2.884	3.885
Imputed final	3.021	7.666
Imputed total rate of dividend	7.045	11.583

The proposed total rate of dividend provides a gross yield of 11.583% on the issue price of the New Ordinary Shares and represents an increase of 10.1% on the total rate of dividend (including the imputed tax credit) payable in respect of year ended 31st December 1976.

Telephone No. 283-7500
Enquiries: Mr. C. R. Harris—Ext. 2058
Mr. J. Linbourn—Ext. 2006
From 4.30 p.m. onwards.

October 1977
Insure with Commercial Union Assurance

Better first half for D. Dixon

Pre-tax profits of woollen cloth manufacturers David Dixon and Son Holdings recovered from £83,000 to £202,000 for the six months to October 3, 1977, on turnover of £4.46m. compared with £4.01m. The directors say the improvement in performance is due to rationalisation and an upgrading of products. They add that order books are full. After tax of £105,000 (£48,000) attributable profits are ahead from £41,998 to £83,886 and earnings are shown to be up from 2.1p to 6.4p per 25p share on the reduced capital. The interim dividend is raised from 0.57p to 1p net. Last year's total was 2.72p and pre-tax profits came to £118,123.

English & Overseas back on dividends

After boosting taxable profit from £25,323 to £147,418 in the six months to September 30, 1977, English and Overseas Investments has returned to the dividend list with a 0.35p net interim per 10p share. The last dividend paid was a 0.25p interim in 1973-74 when a £115,261 loss was reported for the year. Losses totalling £541,533 were recorded in the following 1970-71 and last year the group returned to the black with a £184,232 profit. A return to dividends in the near future was forecast in September.

The half-time profit came on turnover ahead from £1.5m. to £2.8m. and directors say that group assets are currently continuing to expand and the seasonal aspect of the publishing industry is now showing improvement. The profit is after depreciation of £245,167 (£282,806) and interest charges of £41,510 (£83,112). It is subject to tax of £7,000 (nil) and earnings per share are stated at 1.38p (0.25p). The dividend is paid on reduced capital and has Treasury approval.

Progress at Secombe Marshall

The directors of bill brokers and bankers Secombe Marshall and Campion say that trading has been more profitable in the six months to October 31 than in any previous half-year. The interim dividend is 5p net per £1 share and an additional 0.1112p is also proposed for 1978 following the reduction in ACT. Last year's interim was 6p and the final 0.2031p, including a 3p anniversary bonus, followed by a three-for-eleven scrip issue.

Guardian Inv. Trust higher at halftime

Taxable revenue of Guardian Investment Trust rose from £1.08m. to £2.2m. in the September 30, 1977, half year on gross income ahead from £1.36m. to £1.51m. After tax of £450,225 (£492,063) net revenue is £722,633 (£801,846). The interim dividend is unchanged at 0.75p and takes £278,000. Net asset value per 25p share after prior charges is stated at 108.5p against 89p. A total dividend of 2.25p was paid last year from record revenue of £2.7m.

INFLATION ACCOUNTING

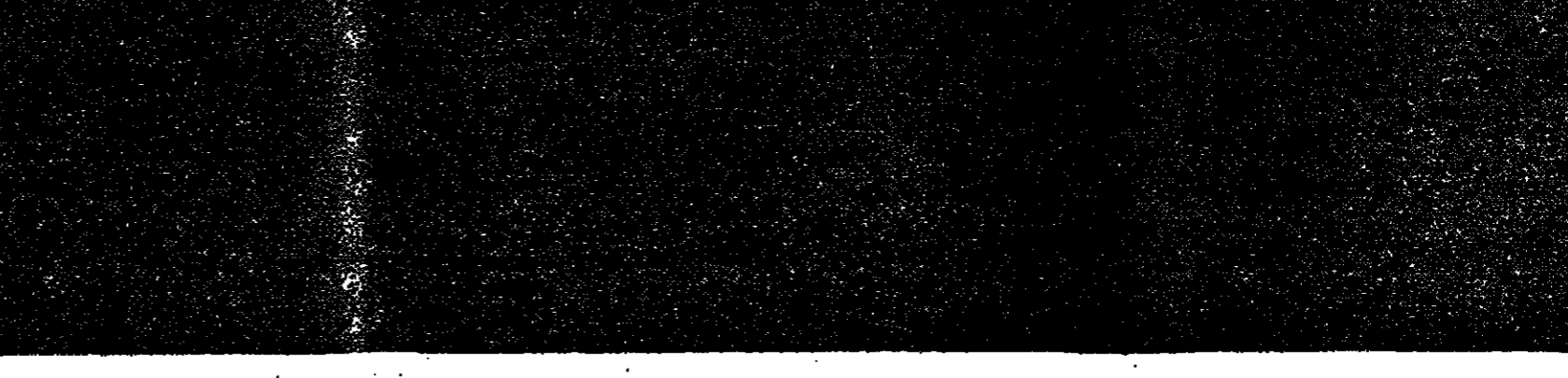
A number of companies will henceforth show in their annual reports the interim Current Cost Accounting adjustment recommended by the Accounting Standards Committee. The Financial Times will normally carry these figures, when they are given, as part of the relevant report on the Company News pages. The annual report from Brooke Bond Liebig Group, published over the weekend, was the first to give the additional information suggested by the ASC. Historic cost pre-tax profit for the year to June 30, 1977 was £49.8m. less CCA cost of sales adjustment £41.8m. less additional CCA depreciation £7.3m. plus CCA opening adjustment £9.8m. leaves CCA adjusted pre-tax profit £10.5m.

In a normal "willing buyer, willing seller" transaction, which is not the composition basis provided in the nationalisation act, more than £20m. would be a reasonable price to expect for a company with outstanding pre-tax profits a full book worth in excess of £200m., an impressive future cash flow and 1977-78 1977-78 group turnover 4,423,866 3,164,811 Depreciation 7,250 42,224 Trading profit 380,156 546,202 Inv. income and int. 480,667 286,225 Div. from invests. 259,684 167,200 Div. from Yarrow (Shipbuilders) 750,000 1,500,000 Profit before tax 1,250,563 1,500,000 11% tax 137,562 165,000 Net profit 1,112,991 1,335,000 Interim dividend 40,000 50,000 Second interim — 100,000 Final proposed 134,488 134,488 Retained 4,817,744 3,694,000 Carried forward 4,817,744 3,694,000

Property Partnerships jumps midway

Profit of Property Partnerships for the half year to September 30, 1977, jumped from £58,454 to £158,064 subject to tax of £82,204 compared with £31,212. Profit for the 1976-77 year was £219,764. The interim dividend is increased from 0.75p to 0.89p net per 25p share. Last year's final was 0.822p.

Which construction company owns 100 quarries with reserves of 3000 million tonnes of stone?



But where do these huge natural resources go? Only about one third of our annual production becomes road surfacing. The other two thirds is sold for the manufacture of such diverse products as iron and steel, chemicals, adhesives, sugar, glass, plastics, rubber, ceramics, cattle foods. Not to mention vast quantities for concrete, rail ballast and filter beds. We also manufacture and lay more roof waterproofing materials than any other company in Europe. Our private house building operation is the 3rd largest in the UK. And on any day of the year we're engaged in as many as 700 building and civil engineering projects at home and overseas. This strength in depth gives us a unique balance in the construction industry. Rich in resources. Big in construction.

APPOINTMENTS

CJA RECRUITMENT CONSULTANTS
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

MERCHANT BANKER
LAZARD BROTHERS & COMPANY LIMITED - LATIN AMERICA
ATTRACTIVE SALARY
CITY
We invite applications from Candidates: Spanish speaking, aged 30-40, who have Merchant Banking experience...

SENIOR DEALER - GILT EDGED SECURITIES
ATTRACTIVE REMUNERATION
CITY
A LEADING FIRM OF LONDON STOCKBROKERS
Our client is seeking a senior Gilt Edged Dealer to join their well established team.

Senior Executives
ARE YOU ABUSED - UNDERPAID - FRUSTRATED - UNFULFILLED - DISCOUNTED - UNDERUTILISED - DISCONTENTED -
WE UNDERSTAND - We are now offering you the opportunity to work for a leading international firm...

U.S. INVESTMENT BANKERS IN LONDON
require a representative for the Middle East, aged 30-40 years. Minimum five years' experience in banking, investment banking or stockbroking with a North American institution required.

BUSINESS AND INVESTMENT OPPORTUNITIES

FORWARDING COMPANY WANTED
A LARGE BRITISH-BASED FINANCIAL ORGANISATION WISH TO ACQUIRE A FORWARDING COMPANY INVOLVED IN CONTINENTAL DEEP SEA AND DOMESTIC TRAFFIC

TO MANUFACTURERS & IMPORTERS
Ideally positioned warehouse and modern prestige distribution complex in Southern England. Owners wish to represent manufacturers of products or act as importers where storage, computerised stock control, and efficient distribution and marketing expertise are vital ingredients for success.

INSULATION PRODUCTS
ARE YOU A MANUFACTURER OR INVENTOR?
If so we would like to hear from you. We are a substantial company with extensive D.I.Y. sales actively seeking new product lines.

FOR SALE
Joinery/Sheet Metal Co. - North East of England
Freehold factory 20,000 sq. ft. on 3 1/2 acre site. Full range of woodworking and sheet metal machinery.

LAUNDERETTES S.W. LONDON
Two PRESTIGE Launderettes in prime locations. Profitable, well established. Capable of producing high quality laundry.

U.S. COMPANY
with plans to manufacture and market best pumps in Europe. Revenue seeks £15.3 million for not more than two years.

YOUR OFFICE IN REGENT STREET
ADVICE BUSINESS SERVICES
24-hour telephone answering in luxury furnished private office in Regent Street.

ANY COMPANY
Chairman
of property development company now being sold. Qualified lawyer with substantial capital seeks active participation.

Commercial Banking. SENIOR REPRESENTATIVE
A group of well established Scandinavian Banks wishes to open a representative office in London for its commercial banking operations...

CREDIT DEPARTMENT HEAD Bahrain
Our client is an international consortium bank based in Manama providing a wide range of commercial banking services to corporations and governments.

MSMS INTERNATIONAL LIMITED
115 Mount Street, London W1Y 5HD Tel: 01-493 6807

Partners Wanted
ROPLASTO RIGID PVC WINDOW SYSTEM
Roplasto is a name in the window industry which stands for quality and service. Our customers are Architects, Public and Private Institutions, Domestic Consumers.

SPECIAL STOCK LINES
Company with established national catalogue supplying schools etc. and also specialising in quality household textiles is open for offers of clearance lines.

BUSINESS WANTED
Above average price would be paid by Public Company wishing to diversify its interests. Companies making net profits of £100,000 to £500,000 p.a. required.

SMALL, SOUNDLY BASED, EXPANSION MINDED UK FIRM
seeks new sales/manufacturing venture. 25-year record of success in establishing new light engineering products in UK/European markets.

BOAT BUILDING COMPANY FOR SALE
Well established in U.K. and Europe Producing range of small sailing cruisers

LIMITED COMPANIES FORMED BY EXPERTS FOR 78% INCLUSIVE
EXPRESS CO. REGISTRATIONS LTD. 30 City Road, EC1

AUSTRALIA FOR SALE
Irrigated Freehold New Crop Farm - N.S.W. Plus Independent Company with 30Y of contact in the Graphic

EX-STOCKBROKER
with substantial good quality clients under management now seeking a congenial home with either a licensed dealer or investment fund managers.

FRANCE
Consultant in mergers, participations or associations between French and foreign companies.

THEATRES - Cont
WEMBLEY EMPIRE THEATRE, LONDON
WINDMILL THEATRE, WINDMILL
THE BROTHERS OF DECEIT
THE MODERN ERA
THE BROTHERS OF DECEIT
THE MODERN ERA

ART GALLERIES
WELLS GALLERY, 40, Abchurch Lane, London EC4A 3DF
AGNEW GALLERY, 45, Old Broad Street, London EC2M 4LJ

WANTED
Small private company in need of computer system. Anybody interested, please apply in writing to the Commercial Director.

YOUR COMPANY FOR SALE?
Very Substantial Funds Available
If you are the Owner of a Business with strong Balance Sheet and Trad Record, wishing to sell, but inhibited by the problems arising from liquidation or disposal, we can help.

FOR SALE
Engineering Company North East of England
Freehold factory 100,000 square feet on 7 acre site. Full Facilities Sheet Metal facilities including overhead cranes.

IMPORT-EXPORT COMPANY
REQUIRED to purchase for expansion a profitable import-export company with up to £75,000 per annum net profit.

COMPANIES FORMED
Especially, specialist, throughout the world. Compare our prices with other agencies.

31 STEEL FRAME AND FLYWOOD STANDARD 20 FT. CONTAINERS FOR SALE
Best Offer Over £750 Each
Telephone: 01-723 4724

INDUSTRIAL CHEMISTS
(25 years Construction) offers for sale wide range of industrial plants, machinery, etc. including Design, Manufacturing, Application Specs. and Pat. of Proven Potential.

LIMITED COMPANY FORMATIONS
EFFICIENTLY, EXPERTLY 275 INCLUSIVE
Company Registrations, Bank Accounts, VAT, etc.

مكازم الأصيل

IDS AND DEALS

British groups' £30m. purchases in U.S.

CHRISTINE MORRIS

British companies, Glaxo and Pearson Longman, have announced acquisitions in the U.S. involving a total investment of £30m. In both cases, the price is to be raised through borrowings in the U.S. Glaxo is buying the whole of Laboratories, a privately owned Florida pharmaceutical...

EDINBURGH & DUNDEE

Shareholders of Edinburgh and Dundee Investment for which the British Rail Pension Fund is bidding, have been told that the Board is considering the offer with their advisers...

SALE TILNEY

Associated Tilneys, the raw materials and food processing group, is selling its frozen food and fish merchandising businesses in Hamberside to Ross Foods...

AF £2.5m. sale to Ross

The effect on AF's profit and loss account will be to reduce turnover by £15m in a full year. In the last financial year ended September 30, 1976, the company made only a "negligible" contribution to profits...

HAMBERS & FARGUS LIMITED

(Producers of Edible Soya Protein, Seed Crushers and Edible Oil Refiners)

Annual General Meeting was held on 30th November 1977. The Chairman, Mr. G. H. Edgell, presided and the following is a summary of his address...

Table with 2 columns: 1977 and 1976. Rows include: 1977 12,825,636; 1976 7,104,595; (loss) before tax 35,985; (loss) after tax 38,388; Dividend 8,747.

Bank of Tokyo (Curaçao) Holding N.V. \$60,000,000 Guaranteed Floating Rate Notes due 1984. For the six months 5th November, 1977 to 15th May, 1978.

Money Market Tremendously large help

England's Money Market Rate is per cent. October 14, 1977. The market was extremely large. Banks carried forward very large overnight balances...

Favourable start for Wm. Jacks

In his annual statement, Mr. L. Cooper, the chairman of William Jacks and Co., said that the decision to pay an interim dividend of 0.86p net per 25p share (reported on November 3, 1977) was only taken after considering the performance for 1976-77 but also the favourable figures for the first quarter of the current year...

MAURICE JAMES ACQUISITION

Maurice James Industries, which is currently making a 25p a share offer for George Doland, has completed the acquisition of Caspar Jara, a clothing import business primarily owned by a Mr. Gravenor, joint managing director of Doland. The price is £100,000 plus a further £100,000 based on profit performance...

LEADENHALL STERLING

Leadenhall Investments has bought Charles, a manufacturer and importer of optical and scientific equipment, for £100,000 cash. After tax proceeds of £75,000 for the year ended April 30, 1976, the company has net tangible assets at that date of £182,487.

HOUSE OF FRASER

While GHF Holdings has now sold 23.55m. shares in House of Fraser to Loughra, as already reported, the company has been charged by the purchaser to CHR as security for the payment of the balance of the purchase price due.

EGA/MK

As forecast last week EGA Holdings has sold its engineering and surgical divisions to Omaglen Securities, wholly owned by Mr. R. Earl and Mr. R. Ross, engineering division directors.

LEIGH INTERESTS

Leigh Interests has agreed to acquire the efficient disposal and flexible services business of the recent company of John Hudson (Birmingham) for £136,700, to be satisfied by £120,000 cash and 101,026 ordinary shares, all of which have been placed by Sheppard and Chase on behalf of the vendor.

WESTERN BROS.

W. and J. Glossop, the public works contractor, has purchased a 20.88 per cent. stake in Western Brothers, distributor and manufacturer of construction materials. The stake is believed to come from Consolidated Gold Fields.

SHARE STAKES

F and C Eurotrust—Scottish United Investors has purchased 113,000 Ordinary shares and now interested in 375,000 (6.33 per cent.). Lee Cooper Group—Mrs. D. P. Cooper, wife of H. C. Cooper, chairman has disposed of 100,000 shares.

Scottish & Continental prospects

Mr. J. A. Lumden, the chairman of Scottish and Continental Investment Company, anticipated a further increase in available revenue and in the rate of dividend in the current year.

Cohen Bros. in talks

News that a takeover bid could be on the way for Cohen Brothers (Electric) left the share price 10p higher yesterday at 49p. A level that places a value on the company of just over £20m.

IMPALA HOLDS ITS INTERIM

South Africa's Impala Platinum is maintaining its first quarter dividend for the year to June 30 at 20 cents (12.7p). The previous year's total was 70 cents.

LEGAL NOTICES

In the HIGH COURT OF JUSTICE, CHANCERY DIVISION COMPANIES COURT, in the Matter of VARIAN INVESTMENTS LIMITED and in the Matter of the Companies Act 1947.

SWAN RYAN

Cash offers made in compliance with rule 54 of the City Code by the directors of Swan Ryan, who are not already owned in Swan Ryan International have lapsed.

WETTEREN BROS.

W. and J. Glossop, the public works contractor, has purchased a 20.88 per cent. stake in Western Brothers, distributor and manufacturer of construction materials.

LEIGH INTERESTS

Leigh Interests has agreed to acquire the efficient disposal and flexible services business of the recent company of John Hudson (Birmingham) for £136,700, to be satisfied by £120,000 cash and 101,026 ordinary shares, all of which have been placed by Sheppard and Chase on behalf of the vendor.

WESTERN BROS.

W. and J. Glossop, the public works contractor, has purchased a 20.88 per cent. stake in Western Brothers, distributor and manufacturer of construction materials.

SHARE STAKES

F and C Eurotrust—Scottish United Investors has purchased 113,000 Ordinary shares and now interested in 375,000 (6.33 per cent.). Lee Cooper Group—Mrs. D. P. Cooper, wife of H. C. Cooper, chairman has disposed of 100,000 shares.

MINING NEWS

BP's £18.5m. Australian colliery deal

BY KENNETH MARSTON, MINING EDITOR

AN INVESTMENT OF \$430m. (£18.5m.) is to be made by British Petroleum for a half share in the new A443m. Clarence coal project in New South Wales of the Australian Oakbridge group's subsidiary, Oakbridge Coal. Additional capital will be provided in equal parts by BP and Oakbridge; the latter has already spent \$33m. and it is estimated that a further \$100m. will be required to complete the project.

RCM losses increasing

THE depressed state of the Zambian copper industry is reflected in the annual report and quarterly results of Ruan Consolidated Mines. They show that the company is operating at a loss and the directors describe the financial situation as "serious".

BHP's \$160m. ore contracts

AUSTRALIA'S Broken Hill Proprietary announces that it has signed new contracts with Nippon Steel and Kobe Steel worth about \$160m. (288m.) for the shipment of 11m. tonnes of iron ore. The contracts represent a price increase of about 21.5 per cent. over the previous contracts. That with Nippon Steel is for eight years and that with Kobe Steel for six years.

ROUND-UP

Australia's CSR says that it now holds 65 per cent. of the capital of the AAR coal group and is extending its offer for AAR shares by two weeks to November 30. The bid is of \$42.30 cash per AAR share, or one CSR share plus \$1.80 cash for each two AAR shares.

RCM losses increasing

THE depressed state of the Zambian copper industry is reflected in the annual report and quarterly results of Ruan Consolidated Mines. They show that the company is operating at a loss and the directors describe the financial situation as "serious".

BHP's \$160m. ore contracts

AUSTRALIA'S Broken Hill Proprietary announces that it has signed new contracts with Nippon Steel and Kobe Steel worth about \$160m. (288m.) for the shipment of 11m. tonnes of iron ore. The contracts represent a price increase of about 21.5 per cent. over the previous contracts. That with Nippon Steel is for eight years and that with Kobe Steel for six years.

ROUND-UP

Australia's CSR says that it now holds 65 per cent. of the capital of the AAR coal group and is extending its offer for AAR shares by two weeks to November 30. The bid is of \$42.30 cash per AAR share, or one CSR share plus \$1.80 cash for each two AAR shares.

RCM losses increasing

THE depressed state of the Zambian copper industry is reflected in the annual report and quarterly results of Ruan Consolidated Mines. They show that the company is operating at a loss and the directors describe the financial situation as "serious".

BHP's \$160m. ore contracts

AUSTRALIA'S Broken Hill Proprietary announces that it has signed new contracts with Nippon Steel and Kobe Steel worth about \$160m. (288m.) for the shipment of 11m. tonnes of iron ore. The contracts represent a price increase of about 21.5 per cent. over the previous contracts. That with Nippon Steel is for eight years and that with Kobe Steel for six years.

ROUND-UP

Australia's CSR says that it now holds 65 per cent. of the capital of the AAR coal group and is extending its offer for AAR shares by two weeks to November 30. The bid is of \$42.30 cash per AAR share, or one CSR share plus \$1.80 cash for each two AAR shares.

10 per cent TREASURY STOCK, 1992

ISSUE OF £600,000,000 at £95.50 PER CENT PAYABLE IN FULL ON APPLICATION (namely £95.50 for every £100 of the stock applied for)

INTEREST PAYABLE HALF-YEARLY ON 21st FEBRUARY AND 21st AUGUST

This Stock is an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961. Applications for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

Applications, which must be accompanied by payment in full, namely £95.50 for every £100 of the nominal amount applied for, will be received at the Bank of England, New Issues, Watling Street, London, EC4M 3AA. A separate cheque must accompany each application for amounts up to £2,000 Stock must be in multiples of £500; applications for amounts between £2,000 and £50,000 Stock must be in multiples of £500; applications for more than £50,000 Stock must be in multiples of £500.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

FRENCH COMPANIES

Investment may have to be cut, Total warns

BY DAVID CURRY

PARIS, Nov. 14.

THE FRENCH Total oil group is now becoming seriously alarmed that its lack of profitability will force it to curtail its ambitious investment programme...

This is the message behind half-year figures which show a profit in purely balanced sheet terms, but which, when stock revaluation is taken into account, reveal that the Compagnie Française des Pétroles...

Heurtey stake for SCOA

S.A. HEURTEY, a French engineering company, is to issue Frs.25m. of convertible debentures which will be entirely subscribed by Société Commerciale SCOA's participation may be increased to 50 per cent.

EUROBONDS

Sharp revision in terms of ECSC bond

BY MARY CAMPBELL

THE TERMS of the European Coal and Steel Community's second issue of Eurobonds have been sharply revised yesterday evening following extreme over-subscription...

Doubt over resignation of A & P president

By Stewart Fleming

NEW YORK, Nov. 14.

MR. GRANT C. GENTRY, president and chief administrative officer of Great Atlantic and Pacific Tea, one of the nation's largest supermarket chains, has resigned from the company in a move which is widely interpreted as indicative of continuing problems within the organisation.

The company is now in the third year of a five year reorganisation plan which has involved extensive restructuring of the group, including the sale of unprofitable stores...

Third quarter profit at Tubos de Acero

TUBOS DE ACERO de Mexico SA said that for the third quarter it had a profit of 31.56m. pesos, compared with a loss of 305.07m. pesos a year ago.

AEROSPACE CO-OPERATION

MBB-Aérospatiale pact expected

BY ADRIAN DICKS

MESSERSCHMITT-BOELKOW-BLOHM, West Germany's largest aerospace company, expects to conclude a major new co-operation agreement in the field of military helicopters with Aérospatiale, the French State-owned group, before the end of this year.

Dr. Ludwig Boelkow, MBB's chairman, told the Financial Times that letters of intent had already been initiated, and that he expected them to be signed within a few weeks.

The new agreement, Dr. Boelkow said, would be a further step towards strengthening the links among European aerospace companies, which he believes must eventually lead to a true integration.

management responsibility for system jointly developed by MBB and Aérospatiale. A second range of helicopters to be developed will aim at military transport though specifications are incomplete.

Chrysler sells over \$50m. real estate

DETROIT, Nov. 14.

CHRYSLER Corporation's real estate subsidiary sold part of its diversified properties last month to a private West Coast investment group for more than \$50m.

The shares to be purchased privately held by a family company said. In 1976, Douwe Egberts were about \$60m. with income of about \$20m.

Chrysler Realty Corporation completed the sale on October 18 of more than a dozen pieces of property, or about 7 per cent of its diversified holdings.

Consolidated Foods takes Douwe stake. CONSOLIDATED FOODS Corp. said it will acquire 50 per cent of the outstanding shares of Douwe Egberts NV, an international producer of coffee, tea and tobacco, for \$135m.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

Table with columns: STRAIGHTS, Bid, Offer, and various bond types like Euro Govt, Euro Corp, etc.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on November 15, 1977. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise.

Advertisement for Kingdom of Spain 7.0% Japanese Yen Bonds. Features the amount ¥15,000,000,000 and lists various securities companies like The Nomura Securities Co., Ltd., The Nikko Securities Co., Ltd., etc.

Advertisement for Thomas Cook Banker. Includes the text 'Thomas Cook Travellers Cheque The accepted name for money worldwide' and a logo for Thomas Cook Banker.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

NESE COMPANIES

Securities houses profits peak

FOUR major securities houses... Nikko claimed the highest operating efficiency ratio at 138 per cent...

Financing charges give Iscor net loss

THE STATE steel group Iscor showed a net loss of R49m for the financial year to June 30...

M. Bayley suspended

LUKE said they concluded it was most likely that the buyer was Adelaide Steamship... M. Bayley suspended...

Widespread setbacks in profits

RESULTS for the latest business term... particularly badly, with current profits down by 99 per cent...

Taisei dividend warning

Taisei CORPORATION said it expects profit for the year ending next March to fall 30 per cent...

SWEDISH NEWS

Two major banks to merge

TWO OF SWEDEN'S leading savings banks are planning to merge... Air services in talks...

Grédit Industriel et Commercial group LONDON London Wall EC3M 5NE

Table with financial data for J. RAY McDERMOTT & CO. and FLOEWS CORPORATION

400 goes to 400 Troy Ounces Gold Futures Contract... NEW YORK MERCANTILE EXCHANGE

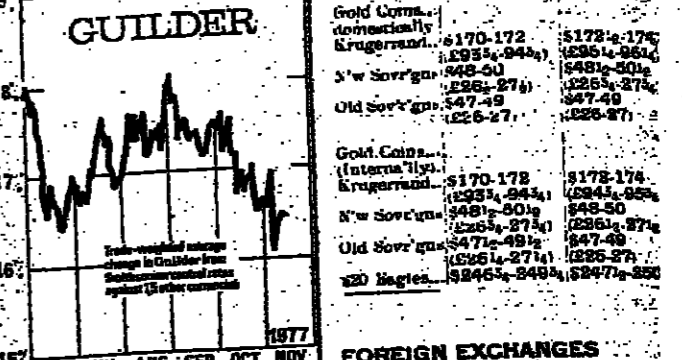
Beogradaska Banka US \$35,000,000 Floating Rate Notes Due 1983

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES
Index reacts 7.5 on profit-taking
Dollar weaker

BY OUR WALL STREET CORRESPONDENT
UNABLE TO sustain last week's vigorous rally, the Wall Street stock market turned downward today in the face of profit-taking which was concentrated in Blue Chip.

Drummond McCall rose \$1 to \$14 3/4...
FARIS - Shares generally made progress in fairly quiet trading following news of the slight drop in French unemployment in October.

NEW YORK, Nov. 14. VIENNA - Leading industrial stocks were slightly higher but construction stocks were hardy changed. COPENHAGEN - Banks, communications and insurances were lower, while commodities, shipbuilding and insurance presented a mixed appearance.



OTHER MARKETS
MONDAY'S ACTIVE STOCKS
Stocks Closing Change
Satinco 24.50 24.50 -

Canada easier
The recent advance on Canadian stock markets was halted yesterday after a fair business. The Toronto Composite Index fell 3.8 to 988.5.

STOCKHOLM - Irregular. HUNG KONG - Stocks were little changed but of interest. HONG KONG - Stocks were little changed but of interest.

CURRENCY RATES table with columns for Bank, Rate, and Date. Includes entries for New York, London, and other major cities.

INDICES table with columns for Index, Nov. 14, Nov. 9, High, Low, and Change. Includes Dow Jones, S&P 500, and other market indices.

NYSE ALL COMMON table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists various NYSE stocks.

Rises and Falls table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists stocks that rose and fell.

EXCHANGE CROSS-RATES table with columns for City, Rate, and Date. Shows cross-rates for various international currencies.

STANDARD AND POORS table with columns for Index, Nov. 14, Nov. 9, High, Low, and Change. Lists Standard & Poor's indices.

MONTREAL table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists Montreal stock market data.

EURO-CURRENCY INTEREST RATES table with columns for City, Rate, and Date. Shows interest rates for various Euro-currency deposits.

FORWARD RATES table with columns for City, Rate, and Date. Shows forward exchange rates for various currencies.

OVERSEAS SHARE INFORMATION

NEW YORK table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists various New York stock market data.

CANADA table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists various Canadian stock market data.

AMSTERDAM table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists various Amsterdam stock market data.

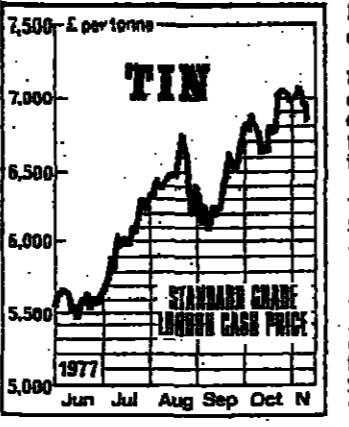
BRUSSELS/LUXEMBOURG table with columns for Stock, Nov. 14, Nov. 9, High, Low, and Change. Lists various Brussels/Luxembourg stock market data.

COCA crop purchases down

FIGURES for this year's cocoa crop show the initial four weeks season purchases by the Board amounted to 329,000 tonnes...

Tin values lower as stocks fall is halted

TIN PRICES fell back on the London Metal Exchange yesterday following a rise in warehouse stocks...



buy up 100,000 tonnes of extra copper for stockpiling. There are also rumours of the U.S. planning to impose duties on imported copper...

U.K. stands firm over fisheries

BRITISH and Irish officials yesterday rebuffed suggestions that unilateral action on fishery conservation within the EEC will have to cease at the end of this year.

Soviet setback claims world crop estimate

WORLD PRODUCTION of wheat and coarse grains is still expected to be the second largest crop on record, despite the big setback in the Soviet grain harvest.

Sheep disease shocks Australia

Mr. Ian Sinclair, Minister for Primary Industry, today confirmed that a previously unknown strain of the bluetongue virus had been isolated from biting insects under investigation near Darwin.

Farm policy 'off target'

THE European Community is now further away from its goal of a true Common Agricultural Policy than it was when it was first set up, according to a report by the National Farmers' Union.

Easier tone at London tea auction

PRICES WERE generally easier for the 53,200 packages on offer at the London tea auctions yesterday. The Tea Brokers Association said there were many withdrawals.

Japan buying New Zealand seeks new lamb markets

THE NEW ZEALAND Meat Board has increased the level of New Zealand lamb which exports to Japan to 15,000 tonnes.

Company notices

REPUBLIC OF SOUTH AFRICA: Loan of US\$25,000,000. 900,000 of the issue due for redemption on 15th December.

Company notices

LEVERAGED CAPITAL HOLDINGS N.V.: Curacao, Netherlands Antilles. Notice of Annual General Meeting of Shareholders.

Company notices

THE IMPERIAL COLD STORAGE AND SUPPLY COMPANY LIMITED: Notice of Annual General Meeting of Shareholders.

COMMODITY MARKET REPORTS AND PRICES

Table of commodity prices including Metals (Copper, Lead, Zinc, Tin), Grains (Wheat, Barley, Oats), and other commodities. Includes columns for price, change, and units.

PRICE CHANGES

Table of price changes for various commodities such as Soybean Meal, Soybean Oil, and other vegetable oils. Includes columns for price, change, and units.

COMPANY NOTICES

REPUBLIC OF SOUTH AFRICA: Loan of US\$25,000,000. 900,000 of the issue due for redemption on 15th December.

LEVERAGED CAPITAL HOLDINGS N.V.: Curacao, Netherlands Antilles. Notice of Annual General Meeting of Shareholders.

THE IMPERIAL COLD STORAGE AND SUPPLY COMPANY LIMITED: Notice of Annual General Meeting of Shareholders.

COMPANY NOTICES

REPUBLIC OF SOUTH AFRICA: Loan of US\$25,000,000. 900,000 of the issue due for redemption on 15th December.

LEVERAGED CAPITAL HOLDINGS N.V.: Curacao, Netherlands Antilles. Notice of Annual General Meeting of Shareholders.

THE IMPERIAL COLD STORAGE AND SUPPLY COMPANY LIMITED: Notice of Annual General Meeting of Shareholders.

REPUBLIC OF SOUTH AFRICA: Loan of US\$25,000,000. 900,000 of the issue due for redemption on 15th December. Includes details about the loan and interest rates.

SOYBEANS sugar and cocoa rally. NEW YORK, Nov. 14. PRECIOUS METALS dropped sharply on commission-brokered profit-taking. Includes market analysis and price data for various commodities.

SOYBEANS sugar and cocoa rally. NEW YORK, Nov. 14. PRECIOUS METALS dropped sharply on commission-brokered profit-taking. Includes market analysis and price data for various commodities.

STOCK EXCHANGE REPORT

Investors cautious on growing threat to pay guides
Share index down 4.7 at 496.7 after limited activity

Account Dealing Dates
Option
First Declara- Last Account
Dealings Date Dealings Day
Oct. 31 Nov. 10 Nov. 11 Nov. 22
Nov. 14 Nov. 24 Nov. 25 Dec. 20
Nov. 18 Dec. 3 Dec. 9 Dec. 20

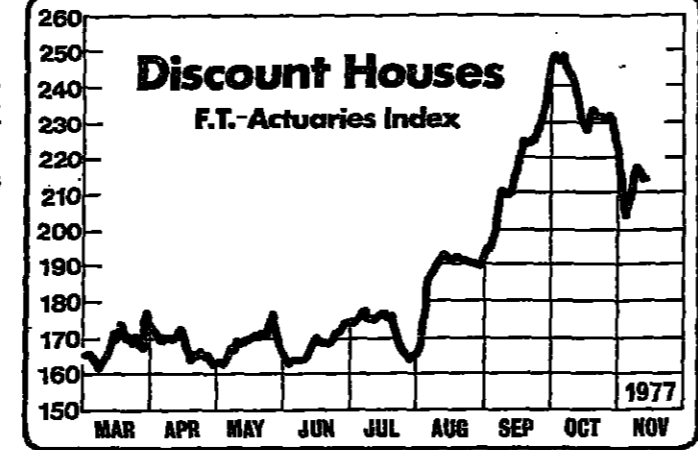
Stock markets made a cautious start to the new Account Dealing Dates... The FT 30 share index ended 4.7 points lower at 496.7...

Commercial Bank of Australia... The surprise announcement by Commercial Bank of Australia of a proposed £75m. rights issue...

Staflex slump
Staflex, 2 easier late last Friday on the sharp reaction in first-half profits and the absence of an interim dividend...

Imry Property up
The property leaders were fairly quiet and little altered, but secondary issues continued to make headway...

Weaker golds
In subdued mining markets, South African Golds were sharply marked down, responding to the fall in the bullion price...



FINANCIAL TIMES STOCK INDICES
Table with columns for various stock indices and their values.

HIGHS AND LOWS
Table showing high and low values for various stock indices.

OPTIONS TRADED
Table listing various options and their trading details.

NEW HIGHS AND LOWS FOR 1977
Table listing new highs and lows for various stocks in 1977.

FINANCIAL EXPERTS REASSESS COMMODITIES—HAVE YOU?

Free reprint of an article comparing results of investments in commodities with alternatives will be sent to you if you complete and return this coupon...

RECENT ISSUES

Table listing recent issues in equities and fixed interest stocks.

FT—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table showing FT-Actuaries Share Indices for various equity groups and fixed interest price indices.

ENTERTAINMENT GUIDE

Opera and Ballet
Theatres
Lyric Theatre
National Theatre
Royal Opera House
Various listings for performances and shows.

RIGHTS OFFERS

Table listing rights offers for various companies.

ACTIVE STOCKS

Table listing active stocks with their denominations, closing prices, and changes.

Table listing fixed interest price indices for various government securities.

Handwritten text at the bottom of the page.

AUTHORISED UNIT TRUSTS

Table of Authorised Unit Trusts with columns for Trust Name, Manager, and various performance metrics.

OFFSHORE AND OVERSEAS FUNDS

Table of Offshore and Overseas Funds with columns for Fund Name, Manager, and performance data.

BASE LENDING RATES

Table of Base Lending Rates for various banks and financial institutions.

INSURANCE BASE RATES

Table of Insurance Base Rates for different insurance policies.

THEATRES - Cont

Table of Theatre listings including names, dates, and times.

CLIVE INVESTMENTS LIMITED

Table of Clive Investments Limited services and contact information.

INSURANCE BASE RATES

Table of Insurance Base Rates for Clive Investments Limited.

THEATRES - Cont

Table of Theatre listings for Clive Investments Limited.

INSURANCE, PROPERTY, BONDS

Large table of Insurance, Property, and Bonds offerings from various providers.

NOTES

Notes section providing additional information and disclaimers.

FT SHARE INFORMATION SERVICE

NO LANGUAGE PROBLEMS INTERNATIONAL FACTORS LIMITED

BRITISH FUNDS

Table of British Funds with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Five to Fifteen Years with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Over Fifteen Years with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Undated with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of International Bank with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Corporation Loans with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Commonwealth & African Loans with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Loans (Miscel.) with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Foreign Bonds & Rails with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Table of Americans with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

AMERICANS—Continued

Table of American stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

CANADIANS

Table of Canadian stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

CINEMAS, THEATRES AND TV

Table of Cinemas, Theatres and TV with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

AMERICANS

Table of American stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

BUILDING INDUSTRY—Cont.

Table of Building Industry stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

DRAPERY AND STORES—Cont.

Table of Drapery and Stores stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING—Continued

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

DRAPERY AND STORES—Cont.

Table of Drapery and Stores stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING AND RADIO

Table of Engineering and Radio stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING—Continued

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

ENGINEERING

Table of Engineering stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

INDUSTRIALS (Miscel.)

Table of Industrial stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

INDUSTRIALS

Table of Industrial stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

INDUSTRIALS

Table of Industrial stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

INDUSTRIALS

Table of Industrial stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

INDUSTRIALS

Table of Industrial stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

INDUSTRIALS

Table of Industrial stocks with columns for Name, Stock, Price, Div. Yield, and Conversion factor.

Handwritten text at the bottom center of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like I.C.I., British Petroleum, and various engineering firms, with columns for stock price, dividends, and other financial metrics.

INSURANCE—Continued

Table of insurance companies such as Royal Indemnity, Commercial Union Assurance, and others, listing their stock prices and financial details.

PROPERTY—Continued

Table of property-related stocks and companies, including those in real estate and construction, with associated financial data.

INV. TRUSTS—Continued

Table of investment trusts, detailing various trusts and their performance metrics, including stock prices and dividends.

FINANCE, LAND—Continued

Table of finance and land-related stocks, including banks, financial institutions, and landowners, with their respective financial indicators.

MOTORS, AIRCRAFT TRADES

Table of stocks in the motors and aircraft trades sector, including manufacturers and related companies.

SHIPPING

Table of shipping companies and their stock prices, covering various maritime transport firms.

SHOES AND LEATHER

Table of stocks in the shoes and leather industry, including manufacturers and retailers.

SOUTH AFRICANS

Table of South African stocks, listing companies from that region and their market performance.

TEXTILES

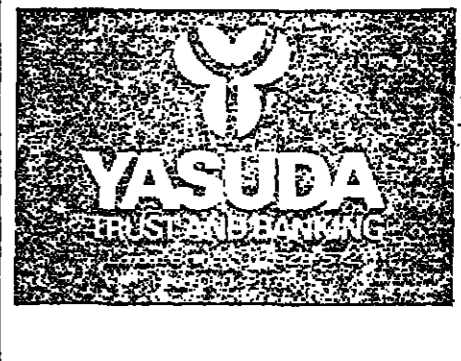
Table of textile industry stocks, including manufacturers of fabrics and clothing.

TOBACCO

Table of tobacco industry stocks, listing major tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks, providing a summary of these sectors.



MINES—Continued

Table of mine stocks, including companies like Anglo American and De Beers, with their stock prices and dividends.

AUSTRALIAN

Table of Australian stocks, listing various companies from Australia and their financial data.

TINS

Table of tin-related stocks, including companies involved in tin mining and processing.

COPPER

Table of copper-related stocks, listing companies in the copper industry.

MISCELLANEOUS

Table of miscellaneous stocks, including various other companies and their market data.

NOTES

Notes section providing detailed information about the stocks listed, including company names, stock prices, and financial metrics.

TEAS

Table of tea-related stocks, including companies in the tea trade.

AFRICA

Table of African stocks, listing companies from various African countries.

MINES

Table of mine stocks, providing a summary of mining companies and their performance.

CENTRAL RAND

Table of Central Rand stocks, listing companies in the Central Rand region.

EASTERN RAND

Table of Eastern Rand stocks, listing companies in the Eastern Rand region.

FAR WEST RAND

Table of Far West Rand stocks, listing companies in the Far West Rand region.

O.F.S.

Table of O.F.S. stocks, listing companies in the O.F.S. region.

FINANCE

Table of finance-related stocks, including banks and financial institutions.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks, listing companies in these precious metal sectors.

OPTIONS

Table of options, listing various call and put options and their prices.

3-month Call Rates

Table of 3-month call rates, listing rates for various companies and sectors.

Additional notes and information regarding the options and call rates, including company names and market details.

We pay for your steel until you need it

FINANCIAL TIMES

Tuesday November 15 1977

Extellent ideal EXTEL STATISTICAL SERVICES LTD

CBI pay policy queried in debate

By JOHN ELLIOTT, INDUSTRIAL EDITOR IN BRIGHTON

CBI LEADERS yesterday had their first experience of low rank-and-file members can upset carefully-laid national policies.

Then at the end of the day, the conference returned to the longer-term pay issue and criticised the CBI's controversial ideas which range from the Government, CBI and TUC meeting just before the annual Budget.

Few signs of turnaround in economic activity

By PETER RIDDELL, ECONOMICS CORRESPONDENT

THE LEVEL of economic activity in recent months has continued to show few signs of the turnaround forecast by the Government.

ECONOMIC ACTIVITY table with columns for Industrial Production and Retail Sales, and rows for 1976 and 1977 quarterly data.

Even this modest upturn has yet to affect the overall level of industrial output.

British Airways plan for no-strike bonus

By CHRISTIAN TYLER, LABOUR EDITOR

BRITISH AIRWAYS may offer its workers a special payment for each month that they do not go on strike, or for every strike-free Bank Holiday.

The State-owned airline wants compulsory arbitration introduced for settling disputes as part of a general reform of the national joint council for civil air transport.

of the airline's management at the state of its industrial relations. Last week British Airways revealed that strikes over a 337m shortfall in its operating surplus for the April to September period.

Union reaction to some of the ideas could be quite severe. Any offer of a no-strike bonus might be seen as a penalty clause, while co-operation in defeating unofficial strikes would be reminiscent of the "blacklegs" row during the engineers' strike.

Portugal rebuff to IMF Artificial depression of dollar ruled out

By DIANA SMITH LISBON, Nov. 14.

By JUREK MARTIN, U.S. EDITOR WASHINGTON, Nov. 14.

PORTUGAL has refused to accept the International Monetary Fund's terms for a \$50m standby loan.

MR. MICHAEL BLUMENTHAL, a similar amount in 1978—as the Treasury Secretary, said today that the U.S. had "absolutely ruled out" policies designed artificially to depress the value of the dollar.

Leyland reorganisation announcement soon

By TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THREE of the five non-executive directors of British Leyland are expected to leave the Board as a result of changes being planned by Mr. Michael Edwards, the new chairman.

In the four divisions—Cars, Truck and Bus, Special Products and International—the managing directors will now be free of main Board responsibility.

New laws may be needed for British Steel's borrowing

By PHILIP RAWSTORNE

By PHILIP RAWSTORNE

GOVERNMENT legislation will probably be needed next year to increase the British Steel Corporation's borrowing powers, Mr. Eric Varley, Secretary for Industry, said last night.

consultations with BSC, the unions and the TUC Steel Committee at Hunterston, Scotland, near Stoke-on-Trent, Bilton, Staffs, and Ebbw Vale. It could accept no deviation from the plan for electric arc furnaces in Glengarnock and Shelton, or a change of heart about Ebbw Vale.

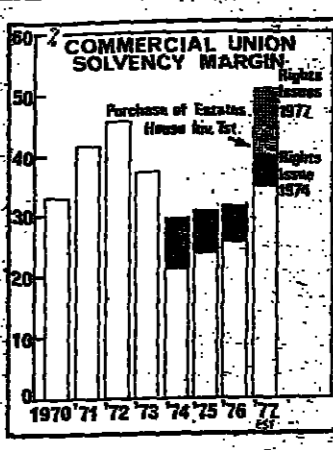
Continued from Page 1 CU

Evidently the sub-underwriters feel reasonably confident about CU's future prospects. Less than 1 per cent of the sub-underwriting offered, compared with nearly 10 per cent at the time of the 1974 rights, was turndown.

Commercial Union asks for more

Commercial Union's £76m rights issue did not help the new Account get off to a good start.

Index fell 4.7 to 496.7



Commercial Union's £76m rights issue did not help the new Account get off to a good start.

Commercial Union

For most of this year Commercial Union has appeared to be travelling along the harsh road which it yesterday described as one of "preliminary discipline".

index discount on Friday's price which CU's herd of merchant bankers had selected as appropriate. But the sponsors were taking a relaxed view on the issue's prospects, and quite apart from the prospective yield of 8.9 per cent, at 130p there is a task force of heavyweight backers to make it unlikely that the underwriters will be put to any trouble.

Reminiscent

Union reaction to some of the ideas could be quite severe. Any offer of a no-strike bonus might be seen as a penalty clause, while co-operation in defeating unofficial strikes would be reminiscent of the "blacklegs" row during the engineers' strike.

Glaxo's U.S. bid

Over the past few weeks Glaxo's share price has been buoyed up by rumours that the group was finally going to announce a major U.S. deal and use the opportunity to restructure and boost its share price.

Weather

VERY WINDY, gales on coasts. Showers. S.E. and Cent. S. England, Channel Is.

Prime help your production scheduling advertisement with cartoon characters.

BUSINESS CENTRES table listing cities and their business center status.

HOLIDAY RESORTS table listing holiday resorts and their status.

PRIME COMPUTE UK advertisement for computer services.